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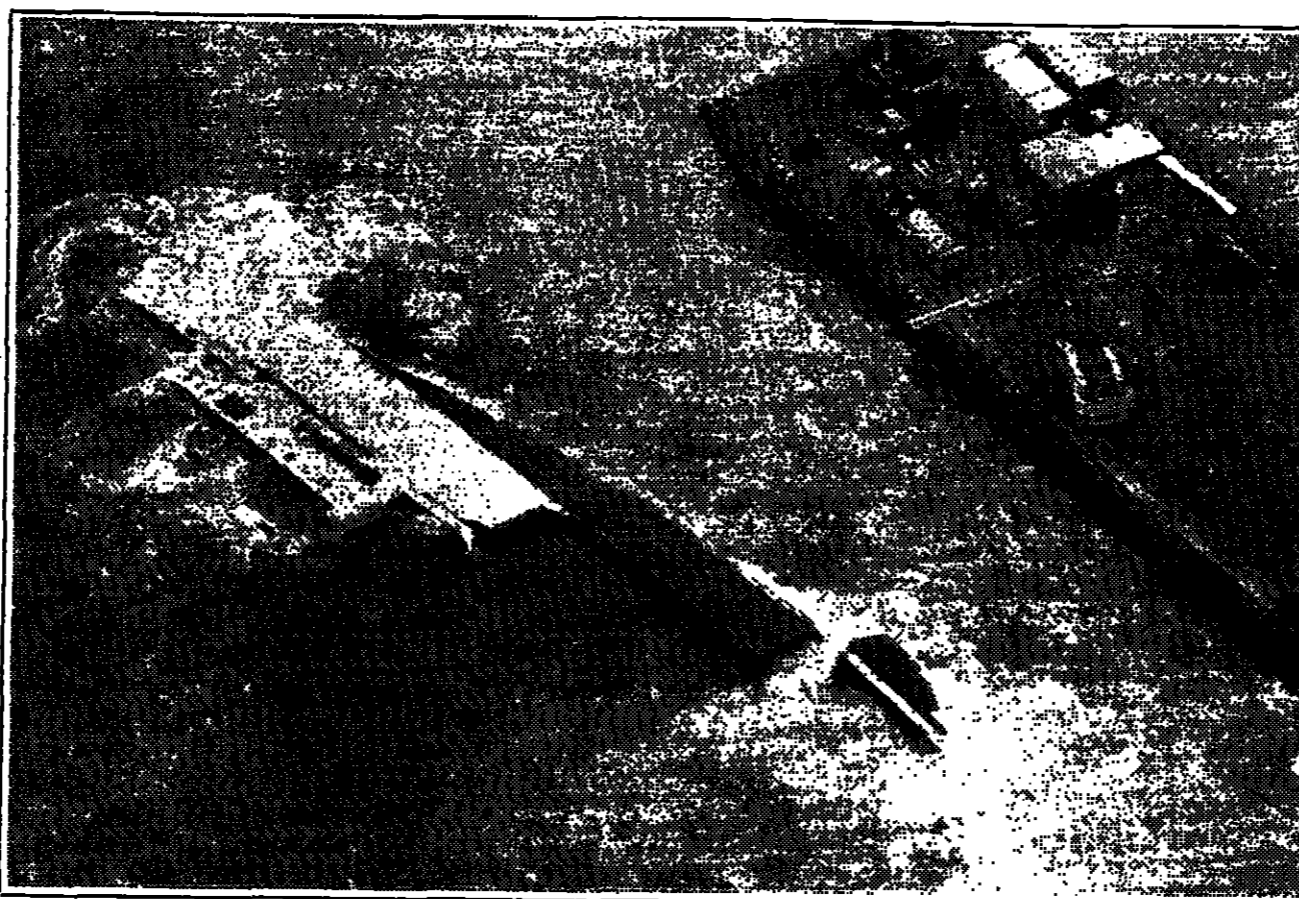
PARIS, WEDNESDAY, SEPTEMBER 12, 1984

Algeria... 0.00 Din. ... 153.30 ... 600 NAO.  
Angola... 200 Esc. ... 1300 Esc. ... 0.700 Esc.  
Argentina... 0.020 Esc. ... 450 Esc. ... 0.020 Esc.  
Australia... 0.100 A\$ ... 1.000 A\$ ... 0.100 A\$  
Belgium... 0.000 Bf. ... 100 Bf. ... 0.000 Bf.  
Canada... 0.000 C\$ ... 100 C\$ ... 0.000 C\$  
Ceylon... 0.000 Ls. ... 100 Ls. ... 0.000 Ls.  
China... 0.000 Y\$ ... 100 Y\$ ... 0.000 Y\$  
Czechoslovakia... 0.000 Kc. ... 100 Kc. ... 0.000 Kc.  
Denmark... 0.000 Kr. ... 100 Kr. ... 0.000 Kr.  
Egypt... 0.000 L.E. ... 100 L.E. ... 0.000 L.E.  
France... 0.000 F. ... 100 F. ... 0.000 F.  
Germany... 0.000 M. ... 100 M. ... 0.000 M.  
Greece... 0.000 Dr. ... 100 Dr. ... 0.000 Dr.  
Hong Kong... 0.000 H.K. ... 100 H.K. ... 0.000 H.K.  
India... 0.000 Ru. ... 100 Ru. ... 0.000 Ru.  
Indonesia... 0.000 Rp. ... 100 Rp. ... 0.000 Rp.  
Italy... 0.000 L. ... 100 L. ... 0.000 L.  
Japan... 0.000 Y. ... 100 Y. ... 0.000 Y.  
Korea... 0.000 W. ... 100 W. ... 0.000 W.  
Luxembourg... 0.000 F. ... 100 F. ... 0.000 F.  
Malaysia... 0.000 M. ... 100 M. ... 0.000 M.  
Mexico... 0.000 P. ... 100 P. ... 0.000 P.  
Morocco... 0.000 M. ... 100 M. ... 0.000 M.  
Netherlands... 0.000 G. ... 100 G. ... 0.000 G.  
Norway... 0.000 Kr. ... 100 Kr. ... 0.000 Kr.  
Poland... 0.000 Zl. ... 100 Zl. ... 0.000 Zl.  
Portugal... 0.000 Esc. ... 100 Esc. ... 0.000 Esc.  
Romania... 0.000 L. ... 100 L. ... 0.000 L.  
Saudi Arabia... 0.000 R. ... 100 R. ... 0.000 R.  
Singapore... 0.000 S. ... 100 S. ... 0.000 S.  
South Africa... 0.000 R. ... 100 R. ... 0.000 R.  
Spain... 0.000 Ptas. ... 100 Ptas. ... 0.000 Ptas.  
Sweden... 0.000 Kr. ... 100 Kr. ... 0.000 Kr.  
Switzerland... 0.000 F. ... 100 F. ... 0.000 F.  
Taiwan... 0.000 N. ... 100 N. ... 0.000 N.  
Thailand... 0.000 B. ... 100 B. ... 0.000 B.  
Turkey... 0.000 L. ... 100 L. ... 0.000 L.  
U.S.A. ... 0.000 \$ ... 100 \$ ... 0.000 \$  
U.S.S.R. ... 0.000 R. ... 100 R. ... 0.000 R.  
West Germany... 0.000 M. ... 100 M. ... 0.000 M.  
Yugoslavia... 0.000 D. ... 100 D. ... 0.000 D.

ESTABLISHED 1887

## U.S. Won't Oppose Outside Backing for Rebels in Nicaragua

By Philip Taubman  
New York Times Service  
WASHINGTON — The Reagan administration decided earlier this year that it would not discourage private U.S. citizens and foreign governments from supporting Nicaraguan rebels, the State Department said.  
A department spokesman, John Hughes, said Monday that the decision was made after Congress refused to approve additional funding for the rebels, but he denied that the position was intended to circumvent Congress.  
"Provided U.S. funds are not used," Mr. Hughes said, "we do not discourage other countries from providing support, nor have we discouraged legal private U.S. contributions."  
Mr. Hughes's comments were the first acknowledgment by the administration that its response to outside aid to the rebels was based on a high-level policy decision. Administration officials had said previously that the any failure to take action against private groups aiding the rebels was the result of a breakdown in coordination between federal agencies.  
The private aid came to light after two private U.S. citizens were killed in Nicaragua on Sept. 1 when their helicopter was shot down in a rebel air raid against a military training school in Santa Clara, near the Honduran border.  
The two Americans were members of an Alabama-based veterans' group, Civilian Military Assistance, that gave advice and military equipment to the rebels and to El Salvador's armed forces. The administration has denied any connection to the raid or involvement in the participation of the two men.  
The involvement of the veterans' group, according to rebel leaders and administration officials, was part of an extensive effort by the insurgents to raise money and obtain supplies from private groups and foreign governments as official U.S. support diminished in recent months.  
The main rebel group, the Nicaraguan Democratic Force, has raised more than \$10 million from private corporations and individuals in the United States and from



Waves wash over the French vessel Mont-Louis, which sank off the Belgian coast Aug. 25 with 30 barrels of radioactive material aboard. Storms are breaking up the hull and threatening to scatter the cargo on the seabed.

## Storm Halts Salvage, Threatens Radioactive Cargo

The Associated Press  
OSTEND, Belgium — A North Sea storm prevented salvage workers Tuesday from determining whether 30 containers of radioactive material had been swept from the broken hull of a sunken freighter.  
On Monday, waves up to 18 feet (5.4 meters) high ripped open the hull of the Mont-Louis, which sank about 12 miles (19 kilometers) off the Belgian coast after colliding with a ferry on Aug. 25. The breaching of the hull raised fears that the steel barrels of slightly radioactive uranium hexafluoride might have been washed from the hold.  
A crisis committee of government and salvage company officials, including Prime Minister Wilfried Martens, met Tuesday to assess what Belgium's environment secretary, Firmin Aerts, described as a "serious" situation.  
Observers flying over the wreck Tuesday morning reported seeing

huge waves crashing over the 4,210-ton freighter. There was a large gap in the section of the ship still above the surface, they said. The ship lies in water that is 14 meters deep at low tide.  
According to Henk Drenth of Smit Tak International, a Dutch salvage firm, the ship's hull has been torn apart at the point where salvage workers made an opening two weeks ago in an effort to retrieve the barrels.  
Mr. Aerts said that the storm had split the ship into two parts. But Mr. Drenth said that the bow had remained attached to the wreck.  
Paul Gooris, who works for Belgian salvage company, said that, if the freighter broke into pieces, the 30 containers could roll out of the hull onto the seabed. In that case, he added, retrieval would be difficult.  
John Hovelerbroeck of the Belgian Public Affairs Ministry said that an empty container had been found on the shore Monday night. Alto-

## Reagan to Meet With Gromyko In U.S. Sept. 28

By David Hoffman  
Washington Post Service  
WASHINGTON — In an announcement with strong re-election campaign overtones, President Ronald Reagan said Tuesday that he would meet Foreign Minister Andrei A. Gromyko of the Soviet Union at the White House on Sept. 28 for a "confidential" session to discuss arms control and U.S.-Soviet relations.  
The announcement followed the statement by George M. Korniyenko, the Soviet first deputy foreign minister, in a U.S. television interview on Monday that Mr. Gromyko would be willing to meet with Mr. Reagan.  
Mr. Reagan sought to take political advantage of the announcement in the midst of his re-election campaign by making it personally and by stressing that "one of my highest priorities is finding ways to reduce levels of arms and improve our working relationship with the Soviet Union."

Walter F. Mondale, the Democratic presidential nominee, has repeatedly criticized Mr. Reagan for the breakdown in arms-control talks with the Soviet Union and for Mr. Reagan's failure to meet with top Soviet officials. Congressional Republicans immediately seized on the Gromyko announcement Tuesday as a counter to Mr. Mondale's charges.  
"It's a plus for us, no question about it," said the House Republican leader, Representative Robert H. Michel of Illinois, after meeting with the president. "It dispels all this business that the president is unwilling to talk and unyielding and unbending."  
Senior White House officials said the meeting with Mr. Gromyko also could bring risks. They noted that there was no assurance the meeting would have a favorable outcome.  
The officials said the meeting — the highest level of contact Mr. Reagan has had with a Soviet official since he took office early in 1981 — would carry many of the same risks as a summit talk, particularly if U.S. voters found just before the election in November that it failed to meet expectations.  
For this reason, Reagan administration officials have been cautious about discussing the possible meeting in recent weeks, saying any announcement would have to follow a preliminary session between Mr. Gromyko and Secretary of State George P. Shultz in New York. Mr. Gromyko is to attend the opening session of the United Nations General Assembly in New York and Mr. Reagan is to address the session Sept. 24.  
Despite the risks, Mr. Reagan's political advisers and allies on Cap-

## Diplomats See Possible Thaw In Kremlin

MOSCOW — The Kremlin's agreement to hold talks between Foreign Minister Andrei A. Gromyko and President Ronald Reagan could mark the start of a thaw in Moscow's hard-line attitude toward the West, diplomats in Moscow said Tuesday.  
Commenting on a report from the White House that a meeting between the two men had been set for Sept. 28, analysts at Western embassies here said it indicated a possible shift in Soviet thinking on East-West ties that could lead to major policy changes.  
"It suggests they have decided their closed-door policy towards Reagan is getting them nowhere and they want to get back into a dialogue," one diplomat said.  
A White House official said agreement was reached Monday night. On Tuesday, President Reagan said he would meet with Mr. Gromyko.  
A Soviet Foreign Ministry spokesman refused to comment. However, on Monday, the Soviet first deputy foreign minister, George M. Korniyenko said "I believe there will be no difficulties on our part" in holding such talks.  
Diplomats said it was most significant that the Soviet leadership had agreed to the meeting despite the fact that it would almost certainly help Mr. Reagan's re-election chances.  
"Up to now the Soviets have been doing their best to discredit President Reagan. For them to agree to talks at this time indicates a change in foreign policy priorities," one said.  
Some embassy analysts said the announcement reinforced their view that the dismissal last week of the Soviet chief of staff, Marshal Nikolai V. Ogarkov, had signaled a major upheaval in Kremlin policies and a victory for supporters of détente.  
They said Mr. Ogarkov, who had a reputation as a leading "hawk" on East-West relations, may have been viewed as a major obstacle to renewing arms reduction talks with the United States and reviving a dialogue on other issues.  
His successor, Marshal Sergei F. Akhromeyev, is seen by Western military experts as a more moderate man and is believed to have



Governor Martha Layne Collins of Kentucky, right, introduces Geraldine A. Ferraro, the Democratic vice-presidential candidate, at a rally in Lexington, Kentucky. With them is Senator Wendell H. Ford, Democrat of Kentucky.

## Ferraro, N.Y. Archbishop Discuss Abortion Dispute

By Robert D. McFadden  
New York Times Service  
NEW YORK — The Roman Catholic archbishop of New York and Representative Geraldine A. Ferraro have discussed their dispute over abortion but apparently have failed to resolve the central question of whether she had misrepresented the Roman Catholic Church's doctrine on abortion.  
Archbishop John J. O'Connor cited a letter dated 1982 and signed by Ms. Ferraro and other members of Congress as the basis for his accusation Sunday that she had created a mistaken impression that church teaching on abortion was "open to interpretation" and not monolithic.  
The document, dated Sept. 30, 1982, was a letter Ms. Ferraro sent with material provided by a group called Catholics for Choice to about 50 Catholic members of Congress who were to attend a breakfast briefing on "The Abortion Issue in the Political Process."  
The letter said in part:  
"Some of us have taken strong pro-choice positions. Others are uncertain. But all of us have experienced moral and political doubt and concern. That is what this briefing is all about. It will show us that the Catholic position on abortion is not monolithic and that there can be a range of personal and political responses to the issue."  
The archbishop said Monday night that the letter showed that Ms. Ferraro had misstated the church doctrine on abortion, which

he called monolithic. He said she "simply, honestly and sincerely" forgot the letter and added that he bore her "no ill will."  
Ms. Ferraro's press spokesman, Francis O'Brien, said that by suggesting that "the Catholic position is not monolithic" the candidate was referring to the personal beliefs of lay members of the church, not to church teaching or doctrine.  
Ms. Ferraro, who took her Democratic campaign for vice president to the Middle West on Monday, said in a statement in Indianapolis that she had placed a telephone call to the archbishop and had held a "cordial, direct and helpful" conversation with him.  
"When I asked him about this statement," she said, "he told me he is referring to a cover letter, signed by me, which was attached to material provided by a group called Catholics for Choice and which was sent to approximately 50 members of Congress in 1982. I pointed out to the archbishop that I have never made a public statement describing or misrepresenting the teachings of my church."  
Ms. Ferraro was not available for questioning after the telephone talk with the archbishop.  
Mr. O'Brien said, however, that she had "made her point clear" — that, when she spoke as a public official, she was not representing the views of the church.  
Since entering Congress in 1978, Ms. Ferraro has said that as a Catholic she personally opposes abortion but does not believe she has

## Western Nations Warn UNESCO on Surpluses

By Paul Lewis  
New York Times Service  
PARIS — The United States, Britain, West Germany and several other Western countries have warned UNESCO that they may withhold part of their contribution to its budget this year as a result of a continuing dispute over the return of about \$80 million in unspent agency funds, a quarter of which is owed the United States, according to diplomats.  
These countries believe that the \$80 million, which has accumulated in a special fund used to offset the impact of exchange-rate fluctuations on the budget of the Paris-based UN Educational, Scientific and Cultural Organization, should be returned immediately to member governments under the agency's own rules in proportion to each country's share of the total budget.  
With the United States now firmly committed to leaving UNESCO at the end of this year unless the world body agrees to reform itself and become less political, some Western countries are also worried that UNESCO's director-general, Amadou Mahtar M'bow, may try to use this money to offset the crippling financial impact of U.S. withdrawal on his agency's activities.  
This week, all Western UNESCO members said that if the United States pulls out, the agency must cut its spending by 25 percent to match the loss of Washington's budget contribution and not try to make up the shortfall by "increases in contributions, borrowing or delays in returning member states' accumulated surpluses."  
If the United States remains a member, they said UNESCO should freeze spending at current levels after adjusting for inflation in its next two-year budget, which will cover the years 1986 and 1987.  
The call came in a joint reform proposal that the Western members have just submitted to the special Temporary Committee set up earlier this year to consider changes in the agency.  
The committee is attempting to agree to a list of possible reforms for submission to a meeting at the end of the month of UNESCO's governing board, which will make a final decision on them. The outcome of this session, which lasts from Sept. 23 to Oct. 19, is likely to determine whether the United States stays in UNESCO.  
and plan the increasing use of the metric system in the United States.  
Thus, the transition became voluntary, unlike in Britain and Canada, which mandated metric conversion.  
The result, in part, is that more than 95 percent of General Motors cars and parts are measured in the metric system, as are more than 50 percent of the parts in Chrysler and Ford cars. The U.S. wine and liquor industry went completely metric by 1980 largely because it was seeking new international markets.  
"Most people aren't measurement-sensitive," said Cheryl Cummings, vice president of the American National Metric Council in Bethesda, a private organization with 600 members, most of whom are large corporations.  
The council sponsors committees and workshops covering more than 30 industries. It collects information on metric transition and passes it on to industries.  
Economies may do what Congress chose not to do. Member nations of the European Community, for example, have said they will accept only metric imports after 1990, according to G.T. Underwood, director of the metric programming office of the Commerce Department.  
"Nonmetric goods are becoming increasingly unwelcome in other countries, because it means they have to put up with an oddball system," he said.  
Soft drinks are increasingly sold in half-liter, liter and two-liter bottles because companies anticipated that the United States would go metric and did not want to have to build new machines later.  
Similar considerations have meant that U.S. tires are being sold in metric sizes and that the U.S. computer

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### TOMORROW

Most of those born in the 1950s U.S. baby boom are financially worse off than people their age were 20 years ago and falling steadily further behind.

## U.S. Battles World as It Inches Toward Metric Standard

By Tom Vescey  
Washington Post Service  
WASHINGTON — Until recently, the number John Bitango knew best was 3.785. The young Bethesda, Maryland, gas station operator had been dividing liter totals by that number, to turn them into gallons, since his station went metric five years ago.  
He thought that customers would learn the system. Instead, they muttered "What the hell does this mean?" he said. Three weeks ago, Mr. Bitango put new mechanisms in his pumps and began measuring gas in gallons again.  
Like mechanics and other workers, Mr. Bitango is caught in a silent war against pounds and ounces, feet and inches, gallons and pints, and other conventional U.S. measurements. It is a war that pits the United States, Burma, and Brunei, a sultanate of about 200,000 people on the coast of Borneo, against the rest of the world.  
The rest of the world is winning. The big U.S. auto companies, for instance, are quietly going metric because their overseas plants, suppliers and customers demand it. Mr. Bitango can measure his gas in gallons, but it is pumped into gas tanks that are calibrated in liters.  
"I've got metric everything," Mr. Bitango says. "Metric socket wrenches, metric box wrenches, metric allen wrenches. From a service station's point of view, you have to double your tools or you will lose."  
A 1971 U.S. Department of Commerce study recommended that Congress legislate a 10-year transition period. But instead the Metric Conversion Act of 1975 declared that "the policy of the U.S. shall be to coordinate

and plan the increasing use of the metric system in the United States."  
Thus, the transition became voluntary, unlike in Britain and Canada, which mandated metric conversion.  
The result, in part, is that more than 95 percent of General Motors cars and parts are measured in the metric system, as are more than 50 percent of the parts in Chrysler and Ford cars. The U.S. wine and liquor industry went completely metric by 1980 largely because it was seeking new international markets.  
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Similar considerations have meant that U.S. tires are being sold in metric sizes and that the U.S. computer

industry is increasingly metric, as are the electronics and lumber industries. Between 1978 and 1982, the percentage of hand tools sold in metric sizes increased from 10 to 25 percent.  
Still, the language most U.S. consumers speak is feet and inches, pounds and ounces.  
"I don't see anyone out there buying measuring cups in milliliters rather than the old cups, pints and quarts," says Carroll Brickenkamp, adviser to the National Conference on Weights and Measures. "I don't see anyone buying metric rulers."  
Metric measurements that would touch U.S. citizens most directly — on road signs, thermometers and in shops — will be the last to change, predicted George E. Carleton, a manager with the Procter & Gamble Co.  
About 60 percent of supermarket goods display metric and conventional U.S. sizes, he said, but only 10 percent of these goods are measured in "hard" metric sizes, such as 500 grams. Most are simply translations of conventional measurements, such as 453.6 grams, which equals one pound.  
Mr. Bitango, fresh from his experience of selling gas metrically, said it will be some time before the public learns to love liters. "Maybe in three to four generations," he said.  
Until then, he foresees he will be pouring oil from quarantized cans into metrically measured cars and finding that it doesn't fit.  
"When you do an oil change," he said, "you have about three-quarters of a quart left over, sitting on the shelf. It won't hold it."

## Carrington Gives NATO New Verve And Emphasizes Its Political Role

By William Drozdiak

**WASHINGTON POST SERVICE**  
BRUSSELS — The usual summer doldrums that descend on the sprawling headquarters of the North Atlantic Treaty Organization here vanished when Lord Carrington took over the alliance's senior post in late June.

As NATO's new secretary-general, Lord Carrington jolted the more ossified reaches of the bureaucracy and, by most accounts, infused the place with a new work ethic.

He also has made it clear that he intends to use the stature and experience he acquired during his years as Britain's foreign and defense secretary to change the common perception of his job, which assumed largely figurehead status during the 13-year tenure of Joseph Luns of the Netherlands.

Lord Carrington wants to put a greater accent on the political dimension of NATO. "There has been a concentration in the public minds about NATO in its purely military form," he said in an interview. "But we should concern ourselves just as much with trying to find solutions to political problems that can allow us all to live under less tension."

In a speech last year in London, Lord Carrington warned about the limits of what he described as "megaphone diplomacy" in finding political solutions to allied misunderstandings and East-West conflicts. The phrase reflected European concerns that confrontational rhetoric in the early days of the Reagan administration contributed to worsening relations with the Soviet Union.

Today, Lord Carrington feels Washington has enhanced its image in Europe by adopting a more moderate tone and by permitting the Soviet Union to bear the responsibility for the hiatus in negotiations about arms control after Moscow walked out of the Geneva talks on strategic and intermediate nuclear missiles last year.

"I really think that over the last few months the [Reagan] administration has played it absolutely right," he said. "The U.S. has made it perfectly plain it is willing to



Lord Carrington

begin talks on space weapons and to start off again on the Geneva negotiations.

"I doubt that there is more for us to do at this time. What we've got to do is to be persistent, and go on and on and on telling them that we are prepared to talk. The Soviets have locked themselves into a difficult position by walking out of Geneva, but they will return, and the sooner they do it, frankly, the better."

Lord Carrington met with President Ronald Reagan at the White House Tuesday and expressed approval of Mr. Reagan's announcement that he plans to meet with the Soviet foreign minister, Andrei A. Gromyko, on Sept. 28.

In the interview here, Lord Carrington also said that in some ways the alliance had become too self-denigrating and underestimated its strengths, especially its ideological and economic influence in the world.

"The Russians must feel extremely alarmed in recent years about the events in Poland and the lack of glamour that Marxism holds for the world," he said. "Equally, they have an economic system that does not work. So I would feel we have nothing to lose from talking to the Soviet Union, because we don't talk from a position of inferiority."

In terms of the military balance, Lord Carrington said that while it would be a mistake to become complacent, NATO countries should

realize that they have "quite enough military and conventional power to defend themselves."

"It would be suicidal for the Soviet Union to invade Western Europe," he said. "If I were a Russian and I looked at what NATO has, I would think several times before starting an adventure that would be likely to lead to a third world war."

A primary factor behind the poor state of East-West relations, he feels, may simply be that each side lacks a sound understanding of the other's motives and background. "I think to sit around a table and talk to them is good," he said. "It would be useful for us to get to know them better, and them us."

"Maybe they will begin to feel, though perhaps they don't at the moment, that we genuinely do want some kind of relaxation of tension, arms control and less weapons in the world. They will hear from us that we are not prepared to put up with certain things like Soviet expansion into the rest of the world, and that if they want to get on with us they have got to understand that."

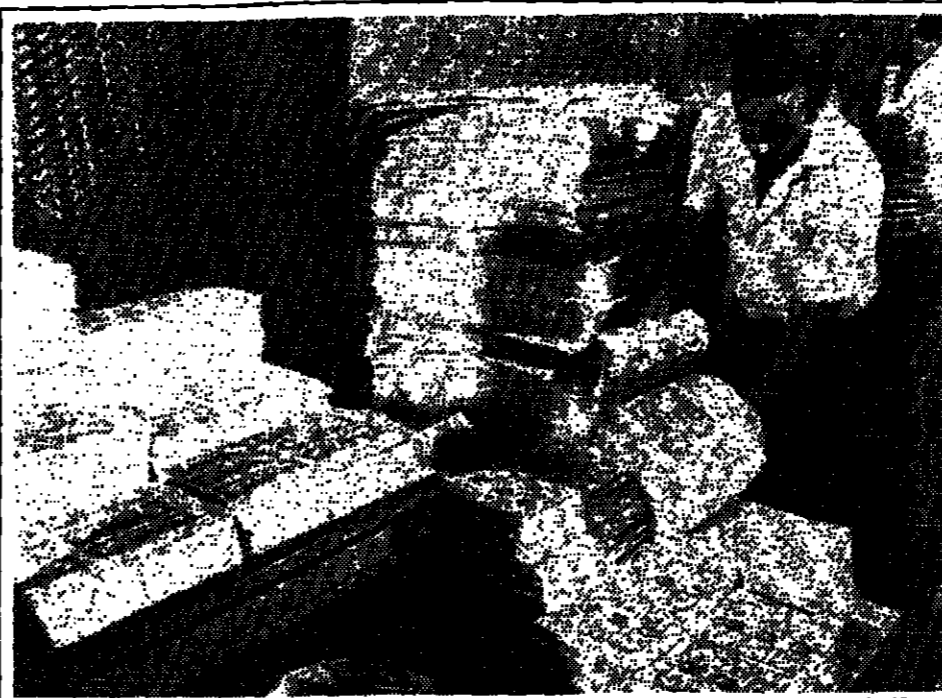
Helping to mediate sporadic quarrels between the United States and the European allies is another area that Lord Carrington expects will consume much of his time.

After more than three decades of involvement in alliance diplomacy, he says he has learned to brush aside talk about NATO's demise.

The controversy over the deployment of Pershing-2 and cruise missiles in Europe was a difficult test of alliance unity, he said, but the deployment was "an enormous success" because NATO emerged stronger by showing that it can fulfill its commitment.

Lord Carrington stressed that one issue he planned to emphasize in his job was the need for improved resource allocation — "or how we can all get better value for our money."

He said he was disturbed that a lack of coordination among NATO countries in arms production and research and development programs had led "to an awful lot of duplication," especially since the alliance's research spending far exceeds that of the Warsaw Pact, the Soviet-bloc military alliance.



**FAKE BILLS** — Israeli police said they seized \$13 million of counterfeit U.S. bills at a printing press in Jaffa and arrested seven persons. At the same time, three Israelis who were allegedly about to open a printing plant in New Jersey were arrested in Brooklyn, U.S. officials said. All those arrested emigrated to Israel from the Soviet Republic of Georgia, and several are related to each other, a U.S. Secret Service spokesman said.

## Owen Asks Thatcher to 'Tell Truth' About Sinking of Argentine Cruiser

By Michael Getler

**WASHINGTON POST SERVICE**  
LONDON — Warning that "we are in the early stages of a Watergate," the leader of Britain's opposition Social Democratic Party, David Owen, called on Prime Minister Margaret Thatcher to "tell the truth" about the torpedoing of the Argentine cruiser *Belgrano* that took the lives of 368 sailors during the 1982 war over the Falkland Islands.

In an attack on the Conservative government's handling of lingering questions about the sinking, Mr. Owen claimed the government had "looked itself into a depressing cycle of error, half-truths and deliberate falsehoods."

Mr. Owen, a Labor foreign minister in the late 1970s, left the party to help found the more middle-of-the-road Social Democrats in 1981.

With his speech Tuesday at the party's annual conference, he became the first leader of any major party publicly to support demands for full disclosure about the *Belgrano* episode.

The circumstances surrounding the sinking on May 2, 1982, by the British nuclear-powered submarine *Conqueror* have become the subject of renewed controversy in recent weeks after documents, allegedly from the Ministry of Defense, were leaked to a Labor member of Parliament, Tam Dalyell, and published in a magazine, the *New Statesman*.

Mr. Dalyell has maintained that the cruiser was sunk to sabotage peace efforts by the government of Peru rather than because it was a threat to the British task force that was heading for the islands, as the government maintains.

Mr. Dalyell and the magazine claim that the documents, the authenticity of which has not yet been challenged, show that the cruiser was heading away from the British task force 11 hours before it was torpedoed, and that the rules of engagement had been changed without notifying Argentina.

Last week, *The Observer* newspaper also claimed that evidence it had obtained showed why the then defense secretary, John Nott, gave false statements to the House of Commons two days after the sinking and why ministers have "since tried to conceal the truth from Parliament and the public for more than two years."

One diplomat said: "We will have to see how the meeting goes" between Mr. Reagan and Mr. Gromyko.

"It could turn out to be a Soviet attempt to embarrass Reagan by, say, having Gromyko storm out of the talks at the last minute, saying it is impossible to talk to him," he said.

The agreement to a Reagan-Gromyko meeting in effect runs counter to the entire drift of Soviet policy in recent months.

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## WORLD BRIEFS

### Skepticism Greets New Ulster Minister

**LONDON (Reuters)** — Britain's new troubleshooter for Northern Ireland, Douglas Hurd, went to the province Tuesday to take charge in the face of hostility, suspicion and skepticism from local politicians who voiced reservations that he would be able to heal sectarian divisions in the province.

The Reverend Ian Paisley, an influential Protestant leader, said he doubted that Mr. Hurd was tough enough for the job. Gerry Adams, a member of Parliament and head of Sinn Féin, considered the political arm of the outlawed Irish Republican Army, described Mr. Hurd as a political lightweight.

James Moynihan, leader of the official Unionist Party, said politicians should be on guard to ensure that Mr. Hurd did not attempt to dilute the will of Prime Minister Margaret Thatcher to keep the province within Britain. Mrs. Thatcher chose him Monday to replace James Prior as the cabinet secretary for Northern Ireland.

### Soviet Defector Missing in Britain

**LONDON (UPI)** — Oleg Bitov, a prominent Soviet defector to the West, has been missing for nearly a month and may have returned to the Soviet Union, the Home Office said Tuesday.

Mr. Bitov, 51, former foreign cultural editor of the Soviet magazine *Literaturnaya Gazeta*, defected to Britain a year ago, protesting what he said was Soviet suppression of intellectuals and the shooting down of a South Korean airliner in September 1983. He was given political asylum.

"His friends say he has not been seen since mid-August," a Home Office spokesman said, adding that "the possibility that he returned to the Soviet Union cannot be discounted, because of his well-known concern" for his wife and daughter, whom he left in the Soviet Union.

### 15 Killed in Sri Lanka Bus Attack

**COLOMBO, Sri Lanka (Reuters)** — Five gunmen killed 15 persons and wounded five Tuesday in a bus ambush in Sri Lanka's Northern province, where separatist guerrillas are active, police said.

The bus had 44 passengers, all members of the Tamil minority. Police said that they believed the gunmen were guerrillas fighting for a separate Tamil state and that they had killed the passengers to put the blame on the army.

Nine soldiers were killed Monday by a land mine and six guerrillas died in the ensuing gunfight. A police source said troops in the area were warned Monday not to make reprisals against civilians.

### U.S. to Resettle 10,000 Vietnamese

**WASHINGTON (AP)** — The Reagan administration will seek the release of an estimated 10,000 Vietnamese political prisoners for resettlement in the United States in the next two years, the secretary of state, George P. Shultz, told Congress on Tuesday.

Mr. Shultz also said the United States would admit all Asian-American children and their family members who qualify for admission, with the aim of doing so in the next three years.

"Various spokesmen for the Communist regime in Vietnam have claimed they would be willing to release all of these political prisoners for resettlement," Mr. Shultz said. "But, despite two years of effort, the Vietnamese have released only a handful of these persecuted people. We hope the Vietnamese will now respond to these appeals."

### Ceausescu Seen Sticking to Bonn Visit

**BUCHAREST (AP)** — A Romanian Communist Party newspaper published an interview with a leading West German politician on Monday in an apparent signal that President Nicolae Ceausescu is likely to go ahead with a planned visit to Bonn even though his East German and Bulgarian colleagues have postponed their trips there indefinitely.

Mr. Ceausescu's state visit, scheduled Oct. 15-19, was originally announced in the official media Aug. 28, but there has been little of no official comment on it.

Wolfgang Mischnick, vice president of the Free Democratic Party in West Germany, said in the interview with *Romania Libera* that Ceausescu's visit was viewed as "necessary and important."

### U.S. to 'Improve' Salvadoran C-47s

**WASHINGTON (AP)** — The State Department said Tuesday that the Reagan administration was considering increasing the firepower of two C-47 cargo planes belonging to the Salvadoran armed forces to enable them to respond more quickly and effectively to large-scale guerrilla attacks.

Alan D. Romberg, a State Department spokesman, indicated that the plans for improving the two Salvadoran planes meant that the administration had decided not to provide the country with Vietnam-style, high-powered AC-47 gunships.

Reports that there were plans to sell El Salvador gunships had aroused congressional opposition. The AC-47 is a heavily armed version of the C-47.

### Iraqi Rockets Strike Loaded Tanker

**ABU DHABI, United Arab Emirates (UPI)** — Iraqi planes attacked a Liberian-registered supertanker loaded with oil on Tuesday and Baghdad asserted that the planes also hit a smaller target in the second straight day of attacks on ships near Iran's main oil terminal.

Lloyd's Intelligence of London said the tanker *St. Tobias* was hit by a missile about 50 miles (80 kilometers) south of Kharg Island, Iran's principal oil terminal in the Gulf. Shippers said there were no casualties or fire aboard the supertanker, which was apparently struck by a French Exocet sea-skimming missile.

The ships also said the Liberian-registered vessel, managed by Fearnley and Eger of Oslo, continued at full speed for Dubai, United Arab Emirates, for minor repairs. A dispatch carried by the official Iraqi news agency and monitored in Abu Dhabi quoted an Iraqi military spokesman as saying that Iraqi planes struck a "very large naval target" and another of medium size two minutes later. Iraq said all its planes returned safely to base.

### South Africa Bans Protest Meetings

**JOHANNESBURG (Reuters)** — The South African government banned protest meetings on Tuesday following two weeks of riots in black townships in which about 40 people were killed.

Police headquarters in Pretoria said Louis Le Grange, the minister for law and order, had banned all indoor gatherings critical of the government in and around Johannesburg, Pretoria and other areas affected by riots until the end of this month.

The ban will cover meetings planned by black groups to mark the seventh anniversary Wednesday of the death in police custody of Steve Biko, a black activist.

### Salvador Police to Be Reorganized

**EL PARASO, El Salvador (AP)** — President José Napoleón Duarte has ordered the reorganization of El Salvador's three principal police forces, which human rights activists say are linked to rightist death squads.

Mr. Duarte told a group of army officers during a visit Monday to a military base in El Paraiso that the reorganization of the National Police, the National Guard and the Treasury Police would help reduce rights abuses in the war against leftist rebels.

The three forces, numbering 12,000 men, currently have overlapping responsibilities. Mr. Duarte said the National Police would be turned into an urban force, the National Guard into a rural force and the Treasury Police would be combined with the tiny Customs Guard and renamed the National Patrimonial Police.

**For the Record**  
Filipino authorities ordered 15,000 villagers Tuesday to leave the slopes of the lava-spewing Mayon volcano at the southern edge of the main island of Luzon after it began erupting Monday.  
Eleven persons, including five policemen and three militiamen, were killed Monday in an ambush by suspected Communist rebels on Mindanao Island in the southern Philippines, a military spokesman said Tuesday.  
Warsaw Pact troops began "Shield 84" exercises Tuesday in Czechoslovakia, Tass reported from Prague. The Czechoslovak press said 60,000 soldiers were taking part.  
Salvador Dali, 80, the surrealist painter, has left the intensive care unit in a Barcelona clinic and is being eased off intravenous feeding four days after he underwent surgery for burns suffered in a fire Aug. 30. His condition remains serious, physicians said Tuesday.  
Otto Lamberhoff and Hans Friderichs, both former economics ministers, will go on trial for bribery Jan. 10, the Bonn district court announced Tuesday.

## Reagan to See Gromyko on Sept. 28

(Continued from Page 1)

Russians also have walked out of negotiations in Geneva on reducing intermediate-range nuclear missiles in Europe and strategic-range intercontinental ballistic missiles.

Asked whether the meeting with

Mr. Gromyko will ease the perception that he is "trigger-happy," Mr. Reagan said, "The most important thing is what understanding I can reach with Foreign Minister Gromyko to maybe convince him that the United States means no harm."

Questioned whether the meeting would meet his previously stated requirement for a summit talk — that it be well-prepared and have a reasonable chance of success — Mr. Reagan said, "I don't know."

"I think," he added, "that maybe with all the specifics that are before us in the various treaty negotiations, some of which are continuing but some of which they have walked away from, I think maybe the time has come that anything that can perhaps get a better understanding between our two governments maybe should precede any resumption of dealings on specifics, if there can be an easing of any suspicion or hostility."

He also refused to say whether space weapons talks or nuclear missile negotiations would take priority in his discussions, saying, "All of these tied together."

Later in the day, Mr. Reagan announced to a group of Republican farm state congressmen that the administration would allow the Russians to purchase an additional 10 million metric tons of wheat and

corn for shipment in the second year of a two-year grain agreement. Sales have ranged as high as 23 million metric tons in recent years.

So far, officials said, the Russians have not indicated if they want to buy the extra grain.

**Critical Report Due**  
The Reagan administration plans to issue a report within a week accusing the Soviet Union of flouting nearly a quarter-century of arms control agreements, *The Associated Press* reported from Washington.

The report is to be sent to Congress and its principal findings made public over the objections of the State Department, which was concerned about the potential impact on U.S.-Soviet relations, sources said Monday.

Asked Tuesday whether publication of the report might "sour the atmosphere" for the Gromyko meeting, *The Washington Post* reported, Mr. Reagan said the report was required by Congress and "is not some action by us or aimed at the Soviet Union. It's supposed to be a factual report that the Congress requires."

He added that "I have no way of knowing" if the publication of the report would cloud the prospects for the meeting.

**Envoy in Moscow See Possible Kremlin Thaw**  
(Continued from Page 1)

close links with President Konstantin U. Chernenko.

Kremlin foreign policy appears to have been in deadlock for some time and Western leaders have complained that Moscow was sending conflicting signals on its wishes and intentions.

Diplomats said Tuesday that if Marshal Ogarkov's removal did signify a victory for supporters of détente, they believed Mr. Chernenko himself was the chief architect and that his earlier foreign policy comments would now gain greater significance.

The agreement to a Reagan-Gromyko meeting in effect runs counter to the entire drift of Soviet policy in recent months.

Not all Western embassy specialists took the view that major changes could be on the way.

One diplomat said: "We will have to see how the meeting goes" between Mr. Reagan and Mr. Gromyko.

"It could turn out to be a Soviet attempt to embarrass Reagan by, say, having Gromyko storm out of the talks at the last minute, saying it is impossible to talk to him," he said.

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## Mondale Plan on Deficit Seen as Evidence of His Conservative Evolution

By Bernard Weinraub

WASHINGTON — Walter F. Mondale's announcement of a "hard, realistic" deficit-reduction package of higher taxes, spending cuts and a modest increase in social programs chimes a striking evolution for a liberal Democrat of the 1960s who is now speaking in bluntly conservative terms.

To Democratic advisers and political scientists, the presidential candidate's blueprint for cutting the deficit by \$177 billion in 1989 is unusual not for what it offers but for what it does not. There are no major jobs programs, no sizable anti-poverty measures and no substantive housing and welfare measures in the package, announced Monday.

The reality Walter Mondale faces now is we have huge budget deficits and we also have a lot of programs that liberals regard as necessary in the 50s and 60s and early 70s, but which are now in place," said Thomas E. Mann, executive director of the American Political Science Association, a professional group of political scientists.

"So the so-called unfinished liberal agenda is no longer unfinished," he said Tuesday. "And what you have are enormous budget deficits."

"In the face of those conditions, any responsible politician who aspires to national office must tailor his program, and that's what Mondale has done."

James A. Johnson, Mr. Mondale's campaign chairman, said, "These are radically changed circumstances based on the unprecedented deficits."

Mr. Mondale pledged to cut two-thirds of a projected 1989 deficit of \$263 billion.

"Mondale is a realist and a pragmatist and has always been," Mr. Johnson said. "He believes that the impact of the deficit on our country is substantial and in order to do what's necessary in terms of social justice, we must deal with the deficit first."

Although Mr. Mondale has pledged to restore, "in a prudent, selective way," \$30 billion in domestic programs in 1989, the bulk of the money will be apportioned for education, environmental and public works programs such as rebuilding roads, and not for any major social welfare efforts.

The candidate said Monday that a deficit-reduction trust fund would be established and "by law, every penny of new revenues will go into that fund, to be used only for reducing the deficit, not for new spending or new programs."

His advisers noted that Mr. Mondale's move rightward began in the late 1970s when, as vice president, he played a key role in the Carter administration's domestic policy. In the second half of his term, President Jimmy Carter favored domestic budget cuts and a tight monetary policy in a time of soaring prices.

Mr. Mondale, in his acceptance speech July 19 before the Democratic National Convention in San Francisco, made it clear that his views, like those of many liberal Democrats, were in transition.

"After we lost, we didn't tell the American people that they were wrong," he told the convention. "Instead, we began asking what our mistakes had been."

"To those who voted for Mr. Reagan," he added, "I know what you were saying."

Mr. Mondale's aides are sensitive to any notion that the candidate is not proposing to restore programs for the poor. They note that his proposed \$85 billion in higher taxes would fall heavily on the upper middle class and the wealthy, as well as on corporations.

"He's combining realism with a lifelong commitment to the people who need help," Richard C. Leone, a senior adviser, said. "I don't think one is suffering at the expense of the other."

■ **Republicans See 'Disaster'**  
David Hoffman and Milton Coleman of The Washington Post reported.



Walter F. Mondale greeted crowds at a rally in front of a construction site in Philadelphia. With the candidate are Representative Thomas M. Foglietta, Democrat of Pennsylvania, left, and Mayor Wilson Goode of Philadelphia.

The Reagan administration has joined congressional Republicans in a coordinated attack on Mr. Mondale's proposal as an "economic disaster" that would increase tax burdens for average Americans.

Democrats praised Mr. Mondale for detailing his budget and tax plan and criticized President Ronald Reagan for not doing the same.

On Monday Mr. Reagan called the Mondale proposal "nothing new," saying, "He told us several weeks ago he was going to raise the people's taxes."

Later Monday, Republicans primarily criticized the tax aspects of Mr. Mondale's plan, not the spending side.

The White House spokesman, Larry Speakes, said that Mr. Mondale "would place a burden on the American taxpayer that would stop the economy cold in its tracks."

He said Mr. Mondale's plan would result in higher inflation and interest rates and would "put the highest taxes in peacetime history on the backs of the American people by increasing the tax burden to nearly 21 percent of GNP." GNP, the gross national product, is a country's total output of goods and services, including income from foreign investments.

Mr. Speakes refused to provide details of Mr. Reagan's deficit-reduction plans, which he said "will come after the election, if Mr. Reagan wins."

Senator John Glenn of Ohio, who was a Mondale rival in the Democratic primaries, said that, while he did not agree with every element of Mr. Mondale's plan, "there can be no dispute" that "it stands in stark contrast to what President Reagan is offering."

## Pentagon Halts Delivery Of Weapons With Parts By Texas Instruments

By Michael Wines

WASHINGTON — The Pentagon has stopped accepting shipments of thousands of weapons parts and other military hardware that contain potentially defective computer chips supplied by Texas Instruments Corp.

The action Monday affects more than 80 U.S. defense suppliers who bought the chips from Texas Instruments under subcontracts, the Pentagon said. Shipments of military gear will not be resumed until further tests pin down the extent of the alleged defects.

The Pentagon said that no loss of life or other military accidents were known to have stemmed from the suspect chips now in use. It did not say whether any weapons systems containing the chips would be recalled. The chips are tiny electronic circuits that store and process information.

## U.S. Black Leader Softens Criticism Of Reagan Views

New York Times Service

WASHINGTON — The Reverend T.J. Jemison, the president of the National Baptist Convention and an influential black leader who criticized President Ronald Reagan last week, said after meeting with Mr. Reagan that the president's views about blacks had been distorted and that he did appear to have sympathy for them.

"After you get to know a man you have to recognize him a little better," said Mr. Jemison, leader of the 7-million-member Baptist group, after meeting Monday with the president at Mr. Reagan's request.

Mr. Jemison was invited to the White House after completing last week that the Reagan administration did not feel "the heartbeat, the desires, the concerns of black people" and would not lead blacks "into the mainstream of American life."

Privately, White House officials were delighted at Mr. Jemison's statement, saying it was a rare kind of word for the president from a prominent black leader, one who was a supporter of the Reverend Jesse L. Jackson, who sought the Democratic presidential nomination.

They attributed Mr. Jemison's comments to Mr. Reagan's powers of persuasion, not to any new promises to blacks.

The microcircuits have been used in "many sophisticated military weapons systems" by all branches of the armed forces, the Pentagon said.

A Defense Logistics Agency spokesman, John Goldsmith, said that as many as 4,700 models of the silicon chips are under review. An earlier analysis of 546 chips, IBM indicated that the suspect chips may have been used in as many as 15 million military and commercial parts during the last eight years.

All military contractors who have bought the Texas Instruments chips have been told to return their inventories to the factory for testing, Mr. Goldsmith said.

Texas Instruments said that it "is cooperating with the Department of Defense and other customers to clarify this issue." The company said that it had voluntarily stopped shipping the circuits which "represent only a small portion" of its semiconductor business.

At the Midland, Texas, headquarters of Texas Instruments, a spokesman, Norman Neureiter, said that the company was investigating the possibility that some microcircuits had not been manufactured according to engineering specifications.

Texas Instruments became aware of the problem after IBM tested the chips and complained about a "potential problem" with some circuits, the Defense Logistics Agency said.

A later review by Texas Instruments officials "revealed a more extensive problem which affected all of their 80-plus customers," the Defense Logistics Agency said.

The Pentagon said it was told of the potential irregularities on Sept. 6 and that it was "directing its quality assurance representatives in contractors' plants to withhold acceptance of material containing certain Texas Instruments microcircuits" until the testing irregularities "can be evaluated and resolved."

The Pentagon order follows a series of Department of Defense actions halting shipments of aircraft and other military gear because of shoddy workmanship and other irregularities.

On Friday, the Department of Defense halted acceptance of 14 F-404 jet engines made by General Electric Co. Last month, the department cited poor workmanship in suspending payments to Hughes Aircraft Co. for the manufacture of three missiles.

## 'Dangerous Hurricane' Heading Inland at North, South Carolina

The Associated Press

CHARLESTON, South Carolina — The hurricane designated Diana moved toward land with winds up to 125 miles an hour Tuesday, forcing evacuations along the coasts of North and South Carolina.

"Hurricane Diana is now a dangerous hurricane," the National Weather Service said. "Further strengthening is likely."

Roads were jammed as people headed for higher ground along the coasts of the two states. Others secured boats and mobile homes, taped or boarded up windows and stocked up on emergency supplies. Island ferries along the low-lying Outer Banks and barrier islands, where beaches draw thousands of tourists, prepared to stop running.

The center of the storm could hit land between Myrtle Beach, South Carolina, and Wilmington, North Carolina, said the National Hurricane Center in Miami.

Reports from a weather service plane "indicate Diana continues to strengthen as the eye wobbles northward toward the North Carolina coast," the agency said Tuesday.

## Reagan Is Said to Assure Casey on Tenure at CIA

By Bob Woodward

Washington Post Service

WASHINGTON — President Ronald Reagan last week privately assured the CIA director, William J. Casey, that he would be welcome to remain as head of the intelligence agency if Mr. Casey was elected to a second term, according to informed officials.

Mr. Reagan gave the assurance by telephone to Mr. Casey after the CIA director sent him a letter to complain about press reports, which appeared to originate in the White House, saying he was ready to return to private life. In his letter, Mr. Casey said he has no such desire. The letter made it clear that he wanted to serve in a second term and did not consider his work as intelligence chief finished.

[Robert Sims, a deputy White House press secretary, said Tuesday that Mr. Reagan "did call Casey and expressed his continued confidence in him." The Associated Press reported.]

Mr. Casey said Monday through a spokesman that he would have no comment. But he apparently shared the news about his possible retention with several others and the details of Mr. Reagan's call seemed to be known at the senior levels at CIA headquarters Monday.

There has been considerable speculation within the administration that Mr. Casey might step down after the election. That speculation has provoked concern among Mr. Reagan's more conservative supporters, who consider the CIA director one of their own. However, the prevailing view among Reagan insiders is that the president is unlikely to press any of his cabinet members for a resignation if re-elected.

Both as governor of California and as president, Mr. Reagan has been reluctant to make changes in his inner circle.

Mr. Casey's service as CIA director has been controversial, and the virtual promise of continued service in a second term could become a touchy matter.

He has had policy disputes with Congress centering on the CIA's role in funding and directing rebellion against the Sandinist government in Nicaragua. Congressional oversight committees have complained that Mr. Casey did not keep them fully informed.

At the same time, Mr. Casey has generally been popular at the CIA. He has won budget increases that reportedly have gone as high as 15 percent to 20 percent per year, higher than the much-debated gains in the defense budget. He is frequently credited with having revitalized the agency, much criticized and discredited for assorted misdeeds in the 1970s.

But some officials of the National Security Council in the Reagan White House are critical of Mr. Casey, saying that the CIA still fails to provide sufficient intelligence from key areas of the world, particularly the Soviet Union.

Mr. Casey is one of several senior officials about whose tenure in a second Reagan term speculation has arisen. Others include Secretary of State George P. Shultz, Secretary of Defense Casper W. Weinberger, the White House chief of staff, James A. Baker 3d, the deputy chief of staff, Michael K. Deaver, and Office of Management and Budget Director David A. Stockman. Sources said Monday that Mr. Reagan has made no decision on moves involving any of these.

## Reagan Is Ahead in Oregon's 'Negative Election'

President's Popularity in the State Is Weak but Mondale's Is Even Weaker

By David S. Broder

WASHINGTON Post Service  
PORTLAND, Oregon — If there is a weakness in President Ronald Reagan's support in the western states, it is called Oregon.

More than in any other place else in the West, concern about the economy, disagreement with his environmental and defense policies and distaste among moderate Republicans and independents for the rightist elects congregating under Mr. Reagan's banner make the president potentially vulnerable here.

But even in Oregon, where former supporters of John B. Anderson, the 1980 independent presidential candidate, and Senator Gary Hart of Colorado, the state's 1984 Democratic primary winner, express strong distaste for Mr. Reagan, the president is bolstered by the unpopularity of Walter F. Mondale as an alternative.

"We're having a negative election," said Tim Hibbitts, a highly regarded Portland pollster. "Reagan has only a 52-percent approval rating here, which normally would make him a very vulnerable incumbent. But Mondale is in worse shape when it comes to negatives."

Mr. Mondale told Oregon campaign aides after a visit here last week that "If I don't carry Oregon, I'm not going to be in the race" nationally.

Mr. Hibbitts said that a statewide poll he took the week after the Republican National Convention in early August put Mr. Mondale 22 percentage points behind Mr. Reagan. "But it's been coming down steadily," he said, "and I would bet this state will be in the 52-53-percent range." Craig Berkman, a major Republican fundraiser, described Oregon as "a tough state," adding: "Mondale could carry Oregon even if he just wins six states."

In 1976, Jimmy Carter missed carrying Oregon by fewer than 2,000 votes. In 1980, Mr. Reagan won by almost exactly the 10 percent of the vote siphoned off from the Democrats by Mr. Anderson.

Now, the leaders of that Anderson effort — and perhaps many of Mr. Anderson's followers — are leaning to Mr. Mondale, despite serious misgivings.

There is, for example, Lyndon Wilson, Mr. Anderson's 1980 Oregon chairman, a self-described "Rockefeller Republican" who has "watched with dismay my party's drift to the right." His disagreements with Mr. Reagan include environmental, school-prayer and abortion issues, the federal budget deficit and interest rates. Interest rates are a particularly sensitive subject in this timber and wood-products state, where persistent problems in the housing market

have left the unemployment rate above 9 percent.

But even with these disagreements and with Mr. Anderson's decision in August to endorse Mr. Mondale, Mr. Wilson has a difficult time accepting the Democratic challenger.

"The trouble with Mondale," he said, "is the Carter hangover. He's not come clearly into focus for me. I still think of him as Jimmy Carter's vice president."

Mr. Wilson added that he was distressed by "what I regard as Mondale's protectionist policy on trade," and "even though I think his approach to the deficit problem by raising taxes is much more realistic than Reagan's, I can't help remembering that the Democrats created the original deficits by ministering to their constituencies."

"If there is a tie-breaker for me," Mr. Wilson said, "it's got to be the international policy." A supporter of a freeze on nuclear weapons, like most Oregon voters and politicians of both parties, Mr. Wilson said that Mr. Reagan appears to him as a "man who has heightened Cold War tensions just to justify his defense-spending policies."

"He's fanned that hysteria," Republican candidates have carried Oregon in seven of the last eight elections, but the state has a tradition of progressive Republicanism. The two Republican sena-

tors, Mark O. Hatfield and Bob Packwood, have been frequent critics of Mr. Reagan, and Governor Victor Atiyeh, a more-conservative Republican, has been outspoken in saying that Mr. Reagan should be giving top priority to reducing the deficits that Mr. Atiyeh says are at the root of Oregon's economic problems.

The progressive Republican tradition created the climate in which Mr. Anderson got a 50-percent bigger percentage of the vote in Oregon than he did nationally. And the national party's focus on conservative social policy issues has added to the strains for Reagan supporters in Oregon.

State Representative Mary Alice Ford, the former Republican chairman in suburban Washington County — one of the more affluent and pro-Republican parts of the state — was a vocal dissenter on the platform committee at the convention in Dallas. She said she worries that the Democrats will "pull a lot of votes on the feminist and social policy issues" in her county.

Asked what Mr. Reagan could do to help himself, she said bluntly: "He could get off that school-prayer amendment. People here don't want us mixing religion and politics. The question I've been asked most is 'Why did you people let Jerry Falwell take over your convention?'"

## Church Acted Against Other Theologians To Fight a New 'Crisis of Values'

New York Times Service

RIO DE JANEIRO — Roman Catholic Church sources say the Vatican sought without success to have two leading Latin American theologians rebuked for their writings on the church's relationship with the poor before calling a third theologian to Rome for direct interrogation.

The third churchman, the Reverend Leonardo Boff, a Franciscan from Brazil, was questioned last Friday about his writings by Cardinal Joseph Ratzinger, prefect of the Sacred Congregation for the Doctrine of the Faith. Many of the writings of Father Boff, an exponent of the doctrine known as the "theology of liberation," are strongly critical of the traditional church.

Together with Father Boff, the two other theologians, the Reverend Gustavo Gutierrez of Peru and the Reverend Jon Sobrino, a Spanish-born priest living in El Salvador, are widely considered the three most prominent authorities on liberation theology.

The church sources in the region asserted that in the last few years the Vatican made repeated attempts to have the two other theologians taken to task — in the case of Father Sobrino, by the Jesuit order to which he belongs, and in the case of Father Gutierrez, by the Peruvian Bishops' Conference.

But in both cases, the sources said, the Vatican failed in its objective of having the writings of the two theologians rebuked.

MONTREAL — Pope John Paul II said Tuesday that "a deep-seated process of change" is sweeping through both society and the priesthood, and urged priests to speak out forcefully on what he called a "crisis of values."

But the church's social role must be carried out by lay members, not the clergy, the pope told a meeting of 3,000 French-speaking priests at St. Joseph's Oratory on the third day of a 12-day visit to Canada.

Referring to the sharp decline in the number of priests worldwide and to increasingly controversial social activism by priests in several countries, John Paul challenged the clergy to "recover your freedom and the dynamism of your faith."

"You have been witnessing, in fact, a deep-seated process of change," the pope said, "one which heralds the appearance of a new culture, of a new society, but which poses, too, a number of questions about the meaning of life."

"You are facing as well a crisis of values: values of faith, of prayer, of religious practice, moral values, family values, a more materialistic, more selfish attitude to life," he said.

"No Christian, let alone a priest," John Paul added, "can be content with silence, or with standing meekly aside on the grounds that ours is a pluralistic society, crossed and recrossed by various currents of thoughts of which many are inspired by scientism, materialism, even atheism."

He told the priests that lay people must have an active role in sharing the church's witness and mission, "especially in regard to temporal authorities."

"If the church is to have a social role, that role must of necessity be played by the laity, united with their pastors and inspired by the magisterium," he said, talking about the teaching authority of the Roman Catholic Church.

John Paul made only passing reference to the issue of priestly celibacy, reminding the priests that celibacy is a sign of "freedom with a view to service."

Before addressing the group, the pope prayed at the tomb of Brother André, a semi-literate carpenter's son who founded the Oratory and whom the pope beatified in May 1982. Brother André, to whom miraculous healing powers were ascribed, died in 1937.

■ **Teaching Nun Beatified**

Later Tuesday, John Paul preached to more than 300,000 people at a Mass in Jarry Park in central Montreal, asking them to leave the "spiritual desert" of the modern world and rediscover God. The Associated Press reported.

"Nothing can fill the emptiness of his absence!" the pontiff said, shaking a finger in the air. "To replace God is an impossible task!"

The Mass was devoted to the beatification of Sister Marie Léonie Paradis, a teaching nun who in 1874 founded the Little Sisters of the Holy Family.

Some Canadian feminists objected to the nun receiving the title "blessed" because members of the Canadian order work as rectory housekeepers or servants of priests.

In Canada's relatively liberal church, women now distribute communion and fill other traditionally male roles, and many Catholics in the country favor ordination of women.

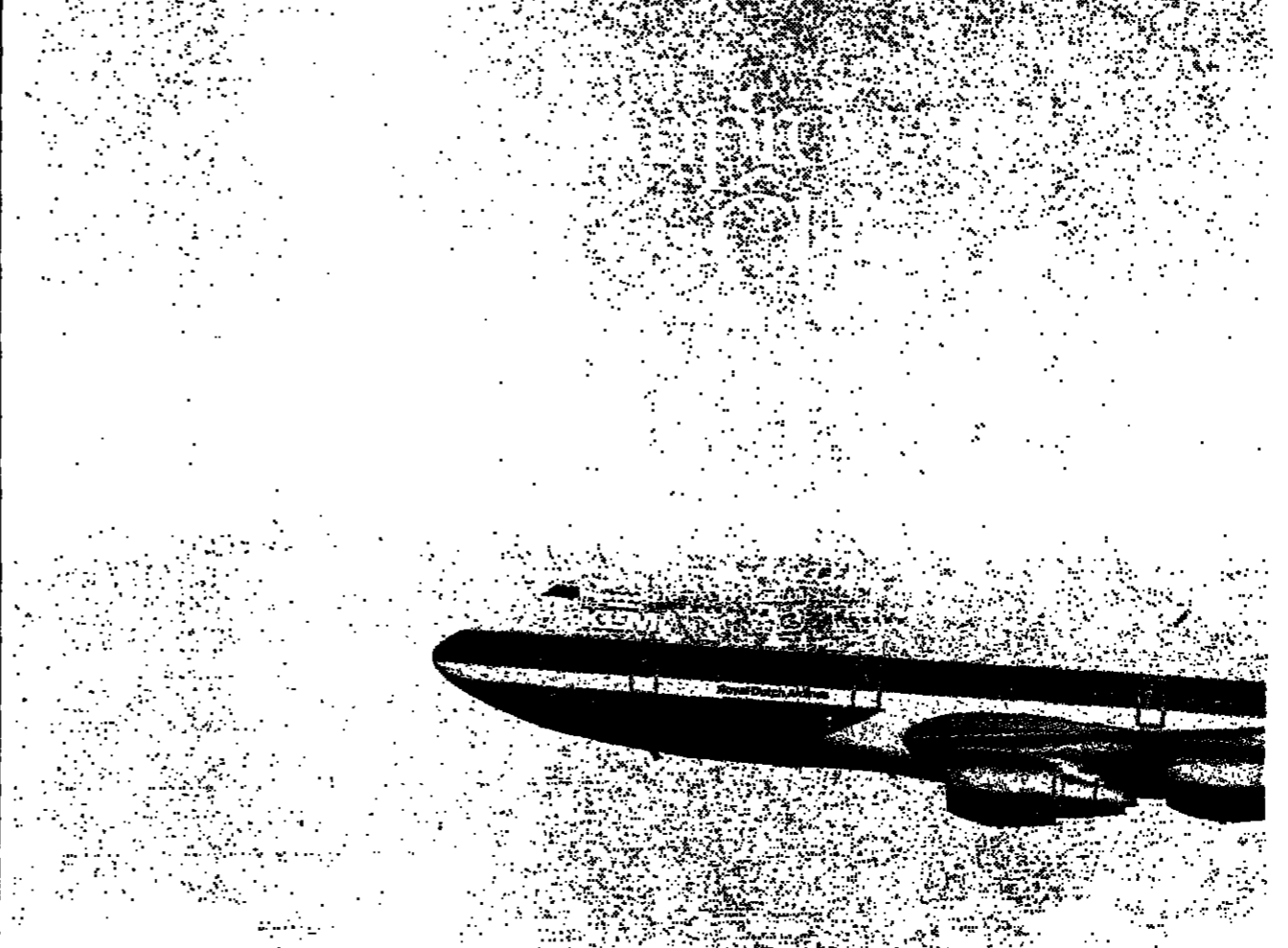
The pope clearly was aware of the issues and said that women may offer society feminine qualities that "may differ from that chosen by Blessed Sister Marie Léonie." But he said nothing to alter his staunch defense of traditional church positions against women priests, divorce, artificial contraception and abortion.



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## Gandhi's Political Stock Plummets In Furor Over Ouster of Rama Rao

By William K. Stevens  
New York Times Service

HYDERABAD, India — Just when Prime Minister Indira Gandhi's political stock seemed to be rising as a result of her bold action in June against Sikh extremists in Punjab, the furor over the dismissal last month of N. T. Rama Rao as the elected leader of the southern state of Andhra Pradesh appears to have sent it plummeting again.

"She has lost the advantage she gained after Punjab," said Bashir-uddin Ahmed, a political scientist. The situation, he said, has "turned 180 degrees."

A number of other political observers as well as politicians and journalists say they believe that Mrs. Gandhi's parliamentary majority could be threatened in the coming general election.

"This one incident is going to

cost a lot of votes," Professor Ahmed said of the Andhra Pradesh affair. "She could partly retrieve the situation if Rama Rao were reinstated. But nothing short of that will work."

Before Mr. Rama Rao's dismissal, events seemed to be moving toward a relatively early general election, perhaps in November. Now, say some high-level politicians in Mrs. Gandhi's Congress-I Party, the election is likely to be held in January.

The dismissal of Mr. Rama Rao has evidently unified the opposition as never before. He is a former film star who won an overwhelming personal and party victory against the Gandhi forces in a state election in January 1983.

"All the opposition parties are rallying around him," said an official in Mrs. Gandhi's cabinet. "So far there has been no one to unite them, but this man will help in the process of opposition unity."

The Congress-I Party holds 39 of Andhra Pradesh's 42 seats in the lower house of Parliament, but most of those seats are now expected to go over to the opposition in the general election, no matter how good a recovery Mrs. Gandhi makes.

That, coupled with normal, anticipated slippage from Mrs. Gandhi's overwhelming victory in the 1980 elections, will, "in the most charitable view," reduce her parliamentary majority to a thin margin, said G. K. Reddy, a journalist with close contacts in the Gandhi camp.

The overall Congress-I majority in the lower house of Parliament stands at two-thirds. Mrs. Gandhi would not necessarily lose control of the government if her party lost that clear edge. The Congress-I is commonly regarded as likely to emerge in any case with a plurality, thereby enabling Mrs. Gandhi to remain as prime minister at the head of a coalition government.

She governed that way once before, from 1969 to 1971. Nevertheless, Mrs. Gandhi's fortunes are seen as having deteriorated quickly and badly after the lift they seemed to get in June, when the prime minister sent the army into Amritsar's Golden Temple in an attempt to crush a militant Sikh movement that had brought Punjab state virtually to its knees.

Although as many as 1,000 people died in the battle at the Sikh holy temple, the boldness of the act seemed to restore Mrs. Gandhi's image as a strong, decisive leader. It also seemed to win her much favor among all but the Sikhs, many of whom were gravely offended by the temple raid.

But on Aug. 16, Ram Lal, a Gandhi appointee as governor of An-



Indira Gandhi

dhra Pradesh, dismissed Mr. Rama Rao as chief minister, asserting that he had lost his majority in the state assembly. The dismissal touched off nationwide protests, and at least 27 people died in ensuing riots in Andhra Pradesh.

Before the Rama Rao dismissal, the Gandhi forces had engineered the downfall of elected state governments in Sikkim and in Jammu and Kashmir. They tried to do the same thing late last year in the southern state of Karnataka, adjacent to Andhra Pradesh. But that attempt failed after it was disclosed that legislators had been bribed to switch allegiance.

The "topping" maneuvers, as they are called here, were apparently designed to assert the Gandhi party's hold on state political machinery and state patronage in the general election campaign. Whoever holds governmental power in rural areas, where most of the votes are, has usually wielded great influence over voters in the villages.

**7 Killed in Hyderabad**  
Seven persons were reported killed and at least 30 wounded in Hindu-Muslim clashes in Hyderabad Tuesday in renewed communal violence, Reuters reported.

A Home Ministry spokesman said that paramilitary reinforcements had been sent to Hyderabad Tuesday night from neighboring states to reinforce several thousand soldiers and paramilitary troops already in the city.

Police said the violence began when a 48-hour curfew on the city of three million people was briefly lifted to allow residents to buy food.

They said the death toll since the communal clashes began Sunday during a Hindu religious festival had risen to at least 18 dead and nearly 150 injured.

The clashes erupted several hours after the state assembly adjourned without a vote on the political future of Mr. Rama Rao, delaying his plans to show he had majority support.

## Union, U.K. Negotiators Avert Mine Talk Failure

Reuters

EDINBURGH — Peace talks aimed at settling Britain's six-month-old coal strike nearly collapsed Tuesday and both sides agreed to meet again Wednesday for a fourth consecutive day.

Miners' leaders and the state-run National Coal Board now have held 15 hours of talks since Sunday, their longest round of negotiations since the strike began in mid-March.

Sources close to the talks said the negotiations almost broke down at one point and the National Union of Mineworkers issued a statement accusing the coal board of intransigence.

The statement from the National Union of Mineworkers followed a suggestion by the coal board that it was the union side that was holding up progress.

During a break in the three-day-old peace talks, the union said, "The NUM has put forward certain proposals but so far, due to the board's intransigence, serious difficulties remain."

Earlier Tuesday, the chairman of the coal board, Ian MacGregor, said his team had put forward proposals and the union had responded with what he called impractical suggestions.

Industry sources said the talks centered on the search for agreement on when a pit could be declared exhausted and closed. The strike began when the miners rejected coal board proposals to close 20 pits it regarded as uneconomic.

Three-quarters of the 180,000 miners are refusing to work and their action has slashed coal output by two-thirds, set off two dock strikes and helped push the British pound to new lows. The Port Employers' Association said the current dock strike had killed 46 percent of Britain's sea trade by Monday.

The Edinburgh talks began Sunday after two months of increasingly bitter exchanges in the media between Mr. MacGregor and the president of the miners' union, Arthur Scargill. The Conservative government has refused to intervene.

Violence at the colliery gates continued Tuesday. At one mine in

Yorkshire, in northern England, stones and firecrackers were thrown from a crowd of pickets at police protecting six miners on their way to work.

In the southeastern county of Kent, about 20 miners were arrested after scuffles with police.

## Egypt Cool To Criticism At Area Talks

Reuters

VALLETTA, Malta — Egypt was critical of a final communiqué issued Tuesday by nonaligned Mediterranean countries that assailed both the 1978 Camp David peace accords between Egypt and Israel and alleged U.S. "provocations" off Libya.

A senior Egyptian delegate said his country did not accept the criticism, sponsored by Syria and approved after long debate. Nine Mediterranean countries — Malta, Cyprus, Yugoslavia, Algeria, Tunisia, Morocco and Libya, in addition to Syria and Egypt — and the Palestine Liberation Organization attended the two-day meeting.

[Egypt] signed the document when the session referring to the Camp David accords was relegated to footnote status, United Press International reported.

Syria's motion said the ministers "highly appreciated" Lebanon's cancellation of its 1983 peace treaty with Israel and "condemned" all similar agreements conducive to partial or separate solutions to the Middle East crisis.

In another clause, which appeared to signal a victory for hard-line Arab states, the ministers "expressed profound concern at the many provocations by the U.S. which violate [Libyan] sovereignty and territorial integrity."

Libya's foreign minister, Ali Abdel-Salam al-Tureiki, said in a speech Monday that U.S. warships were carrying out maneuvers off Libya, but did not say exactly where. "The continuation of American aggression... represents a dangerous threat to the independence of Libya," he asserted.

The communiqué called for a nuclear-free Middle East but made no mention of any specific country's nuclear weapons.

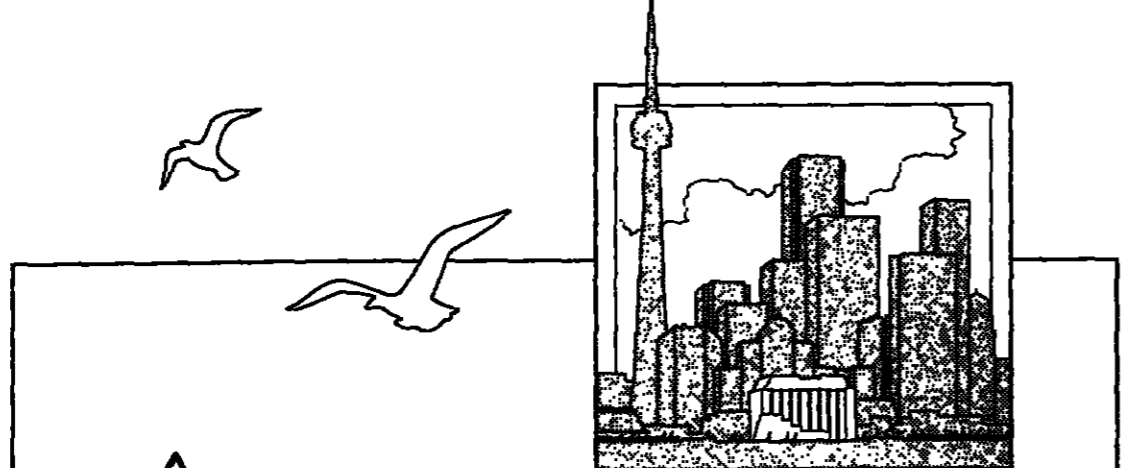
It also deplored the "continuous escalation of great-power military presence in the Mediterranean" and said naval movements "which directly or indirectly threaten the interest of nonaligned Mediterranean members" should be stopped.

### González Plans Irish Visit

The Associated Press

MADRID — Prime Minister Felipe González of Spain will make a two-day visit to Ireland beginning Sept. 28, a government spokesman announced Tuesday. Mr. González, a Socialist, is to meet with President Patrick J. Hillery and Prime Minister Garrett FitzGerald.

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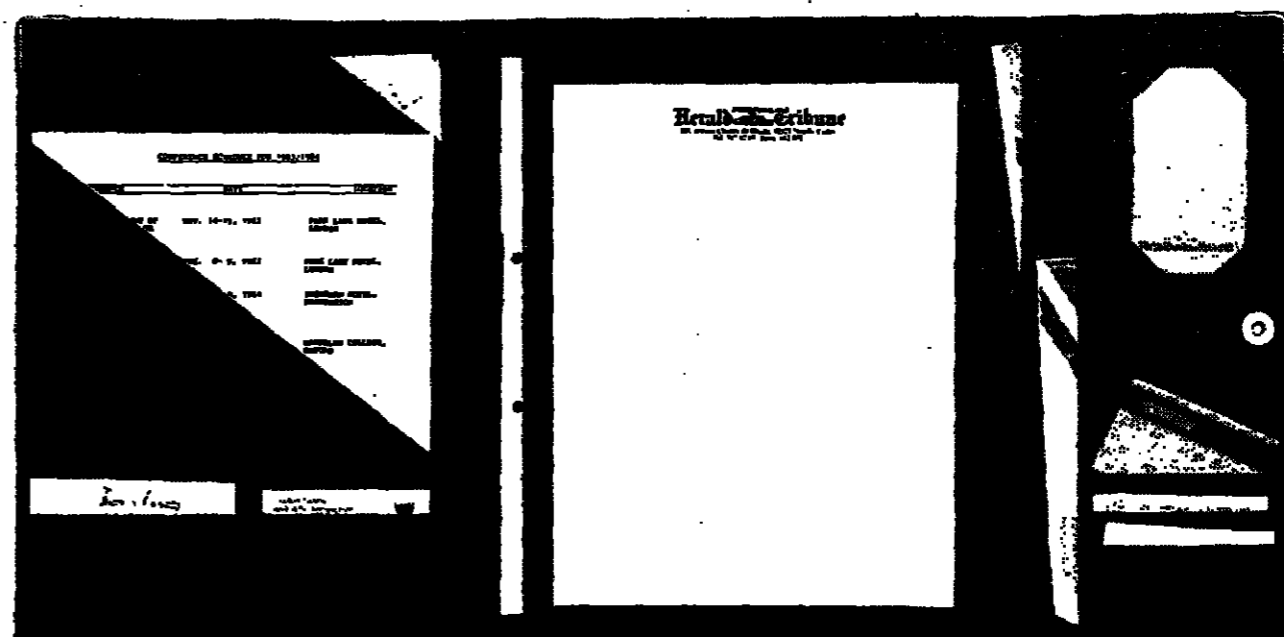
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A large picture of Enrico Berlinguer, right, the late leader of the Italian Communist Party, stands in the Rome fairground where the Communists are holding their annual festivities.

## Italy's Rock-and-Salami Communism

### Party's Festival Seems to Sell Everything But Socialism

By E.J. Dionne Jr.  
New York Times Service

ROME — Maurizio Tomassoni is an activist in San Marino's Communist Party. But at the Italian Communist Party's Festa de l'Unità last week, Mr. Tomassoni was selling T-shirts bearing the Stars-and-Bars of the Old Confederacy. Confederate flags at a Communist Party festival?

"We'll sell just about anything," Mr. Tomassoni said cheerfully, pointing to his stand of American flags. "There are so many young people who like this flag. It reminds them of Elvis Presley."

Elvis Presley, rock video, salamis and stereo shops, Apple computer handbooks, a string of American movies and even the New York City Ballet. This is the stuff of Italian communism, at least as represented by the Festa de l'Unità, an 18-day celebration here that the party has organized to entertain the faithful and attract the curious.

Of course, there is ideology, too, at this annual event. Red flags flutter everywhere and Communist parties from all over the world have set up booths. But across the fairground, with its 20 restaurants, 15 cafes and 12 bars, such politicking is definitely not the main show.

The other night, a Soviet Intourist stand stood desolate while visitors crowded into a Gerardo stereo shop next door, entertained by hard-driving rock music and a light show.

Two cartoons in last Wednesday's editions of *La Repubblica* captured the tone. In one of them, a doleful Karl Marx declares: "This year, I'm not going to the Festa de l'Unità. I don't know anybody there, anymore." In another, a young man surrounded by signs for Fiat, Olivetti and Fiorucci salami asks a comrade: "And what about socialism?" "Sorry," the comrade replies. "We couldn't find a sponsor. How about a sausage?"

The Italian Communist Party savors this image of undecorous eclecticism, which has brought it to an important point in its history. Last June, the party's longtime leader, Enrico Berlinguer, died and

set off a wave of national mourning during which even his old adversaries praised his honesty and intelligence.

In the elections for the European Parliament six days after Mr. Berlinguer's death, the Communists achieved a breakthrough they had been struggling toward for 40 years. They outpolled the dominant Christian Democrats by three-tenths of 1 percent, making them for the moment the No. 1 party in Italy.

The victory brought a new word into the Communist lexicon, *"il sorpasso,"* literally the overtaking, politically the breakthrough.

This summer, after a long internal consultation among party leaders that Communist supporters hailed as a step toward internal democracy, the party named Alessandro Natta as its new leader. Mr. Natta lacked the touts intellectual appeal of Mr. Berlinguer, but he was broadly acceptable to the party's various factions and pledged himself to continue Mr. Berlinguer's policies.

But after its summer of triumph, the party has gone back to facing some of the same quandaries it confronted when Mr. Berlinguer was alive. Communist leaders realize that the European elections may prove to be a fluke, a victory in balloting that conferred no real power.

In fact, one Western diplomat said, echoing the views of other commentators here, the Communists are no closer than before to figuring out a strategy that would bring them to power. Once they sought a historic compromise with the Christian Democrats, later a left-center coalition with the Socialists. Neither tack worked and the party's opponents show little sign of giving it a new opening.

"They're stuck again," the diplomat said. "And there's going to be no moving aside by the other parties."

"It's a moment of novelty both politically and psychologically," said Achille Occhetto, the head of the Communist Party's press and propaganda division. "It poses im-

portant questions to all the major political forces in the country."

At the same time, the Communists are maintaining their policy of distance from the Soviet Union. Although the party opposes the deployment of American cruise missiles in Sicily, they have not pursued the issue with as much vigor as arms protesters elsewhere in Europe.

A striking illustration of the relatively moderate tone of the party's criticism of President Ronald Reagan's foreign policy came in L'Unità, the party paper.

On its front page, the paper carried a translation of an article written by W. Averell Harriman, Clark M. Clifford and Marshall D. Shulman, three former top American officials. While their article was a sharp critique in the context of U.S. politics, it was far from the European leftist style. And the party freely reprinted the article's criticisms of the Soviet Union.

Thus do the Italian Communists keep trying to look Social Democratic while claiming allegiance to a revolutionary past: red flags flying over microcomputers. Mr. Occhetto laughed off the contradictions. "It's the joke of the dialectic," he said.

At the festa, the local party section from Magliana, a suburb of Rome, seemed to succeed best at putting all these elements together.

The section's fund-raising gimmick was an electronic peace game that took the form of a giant map of the world. For 60 cents, a contestant could get to flip a switch that lit up one small square. Some of the squares were empty, others contained weapons of war.

"You're trying to knock out missiles," explained Daniela Archivio, a party member. "If you knock out a bigger missile, you get a bigger prize."

And Giulio Sordani, another party member, added: "We've divided the missiles equally all over the world. Not just America."

The party, he insisted, took a fair-minded view of the land of Elvis Presley.

## Nakasone Faces Challenge by Leader Of Faction in Japanese Ruling Party

By Sam Jameson  
Los Angeles Times Service

TOKYO — Kiichi Miyazawa, a leading policy-maker of Japan's ruling Liberal Democratic Party, declared Monday that he would probably challenge Prime Minister Yasuhiro Nakasone in voting in November for party president, a post that carries with it the premiership.

Mr. Miyazawa, a bureaucrat-turned-politician who has served in a variety of cabinet posts, said that his faction of the ruling party, led by former Prime Minister Zenko Suzuki, is now discussing such a challenge. And he added that the discussion centered on whether to seek the party presidency through negotiations or through a party election.

There can be no meaning to [negotiations] without a candidacy," he said, adding, "I think our faction members are carrying on their debate with [my] candidacy as a pre-condition."

Mr. Miyazawa's statement, made at a news conference at Takamatsu on Shikoku Island, was the first open challenge to Mr. Nakasone's hopes of obtaining a second two-year term.

At the same time, Kakuei Tanaka, a former prime minister, declared in two meetings of his party faction, the largest within the ruling Liberal Democrats, that his 118 followers in the Diet or parliament would not offer a candidate. He indicated that they would support Mr. Nakasone for a second term.

It was the first time that Mr. Tanaka has said without qualification that his faction would not field its own candidate.

Although he did not mention Mr. Nakasone by name, Mr. Tanaka's remarks were taken as tantamount to an endorsement of the incumbent prime minister, who was elected two years ago primarily through Mr. Tanaka's support.

Mr. Tanaka remains the undisputed king-maker of the ruling party in spite of his conviction on

charges of accepting a \$1.8-million bribe from the Lockheed Aircraft Corp. during his 1972-74 term as prime minister.

A Miyazawa candidacy would deprive Mr. Nakasone of the backing he got from the Suzuki faction two years ago but, with Mr. Tanaka's 118 followers and his own 56, Mr. Nakasone would be assured of the support of at least 44 percent of the Liberal Democrats in parliament who vote for party president. Political observers said that Mr. Miyazawa, who has never run for the party presidency, might feel that he had to make the effort now to lay the groundwork for a stronger campaign in two years.

If Mr. Miyazawa makes a formal bid, Foreign Minister Shintaro Abe is also expected to run against Mr. Nakasone. Candidates are sched-

uled to declare themselves on Oct. 29.

The party's 392 members in both houses of parliament will vote in late November to elect their president. However, an election could be avoided if a consensus were to be reached through discussions.

Mr. Nakasone's general performance in foreign affairs and, especially, his close personal relationship with President Ronald Reagan, are highly rated here and abroad. However, his image in domestic affairs has been tarnished by his reliance on Mr. Tanaka for backing within the ruling party.

## 23 Die in Attacks By Guerrillas in Philippine Areas

Reuters

MANILA — A total of 23 people were reported killed in guerrilla attacks in the central and southern Philippines on Monday.

A military spokesman in Manila said that 11 people, including five policemen and three militiamen, were killed in an ambush near Kidapawan, in central Mindanao. Two of the 60 attackers, believed to be members of the communist New People's Army, also died.

At least eight people were reported to have been killed when suspected guerrillas of the secessionist Moro National Liberation Front raided a house in Lanao del Sur province, in northwest Mindanao, the Philippines news agency said.

In Negros Occidental province in the central Philippines, a soldier and two civilians were killed in separate ambushes by suspected New People's Army members.

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## UN Honors U.S. Merchant Captain, 2 Seamen for Rescuing Vietnamese

By Iain Guest  
International Herald Tribune

GENEVA — The office of the United Nations High Commissioner for Refugees (UNHCR) said Tuesday that it had given its highest award to an American merchant captain and two of his crew members, who plunged into the sea to rescue Vietnamese refugees.

UNHCR officials said the award to the three seamen was intended to encourage ship captains to rescue Vietnamese "boat people" instead of leaving them to the mercy of pirates and the weather. The practice of abandoning refugees, they said, was on the increase.

The officials said that the Nansen Medal, named after Fridtjof Nansen, a Norwegian who was the first commissioner of refugees for the League of Nations, would be presented in Geneva on Oct. 8 to Lewis Miller, captain of the Rose City, and two crewmen, Jeff Kass and Gregg Turay.

The officials said that 85 Vietnamese refugees were saved "from almost certain death" on the night of Sept. 21 last year after Captain Miller diverted the Rose City to answer their distress signal during a

heavy storm in the South China Sea.

The two crewmen then jumped into the swell and rescued two refugees clinging to life belts. A third refugee drowned. The group of 85 was subsequently disembarked at Singapore and has since been resettled in the West.

The award is considered significant because the Nansen Medal is usually presented to internationally known personalities. The first recipient, in 1954, was Eleanor Roosevelt. Last year, the medal was given to President Julius Nyerere of Tanzania.

During the first six months of 1984, 14,762 Vietnamese refugees arrived in neighboring countries by boat. This figure, as well as being substantially lower than last year, was only marginally higher than the 14,195 refugees who took advantage of the UNHCR "orderly departures program" from Vietnam, instead of risking their lives in boats.

Officials said, however, that this progress was offset by the fact that fewer ships are stopping to pick up refugees in distress. This year, the proportion of refugees rescued at

sea has fallen to less than 6 percent, compared with 21 percent in 1980.

"More and more ships are steering away from refugees. There is no way to avoid that conclusion," said Michel Barton, a UNHCR spokesman.

Mr. Barton added that many sea captains were apparently worried that their governments would have to take responsibility for resettling the refugees, and that they would be subjected to costly delays at their next port of call while the local government considered what to do with them.

This, he said, was an unnecessary concern because the UNHCR has negotiated an agreement with all the countries of first asylum in the region, stipulating that any refugees rescued at sea will be moved out to a third country within 90 days.

UNHCR officials agreed that the longer refugees are left at sea the greater the chance they will be attacked by pirates. During the first six months of 1984, one third of the 153 boats that arrived in Malaysia and half the boats that landed in Thailand were attacked by pirates, often with heavy loss of life.

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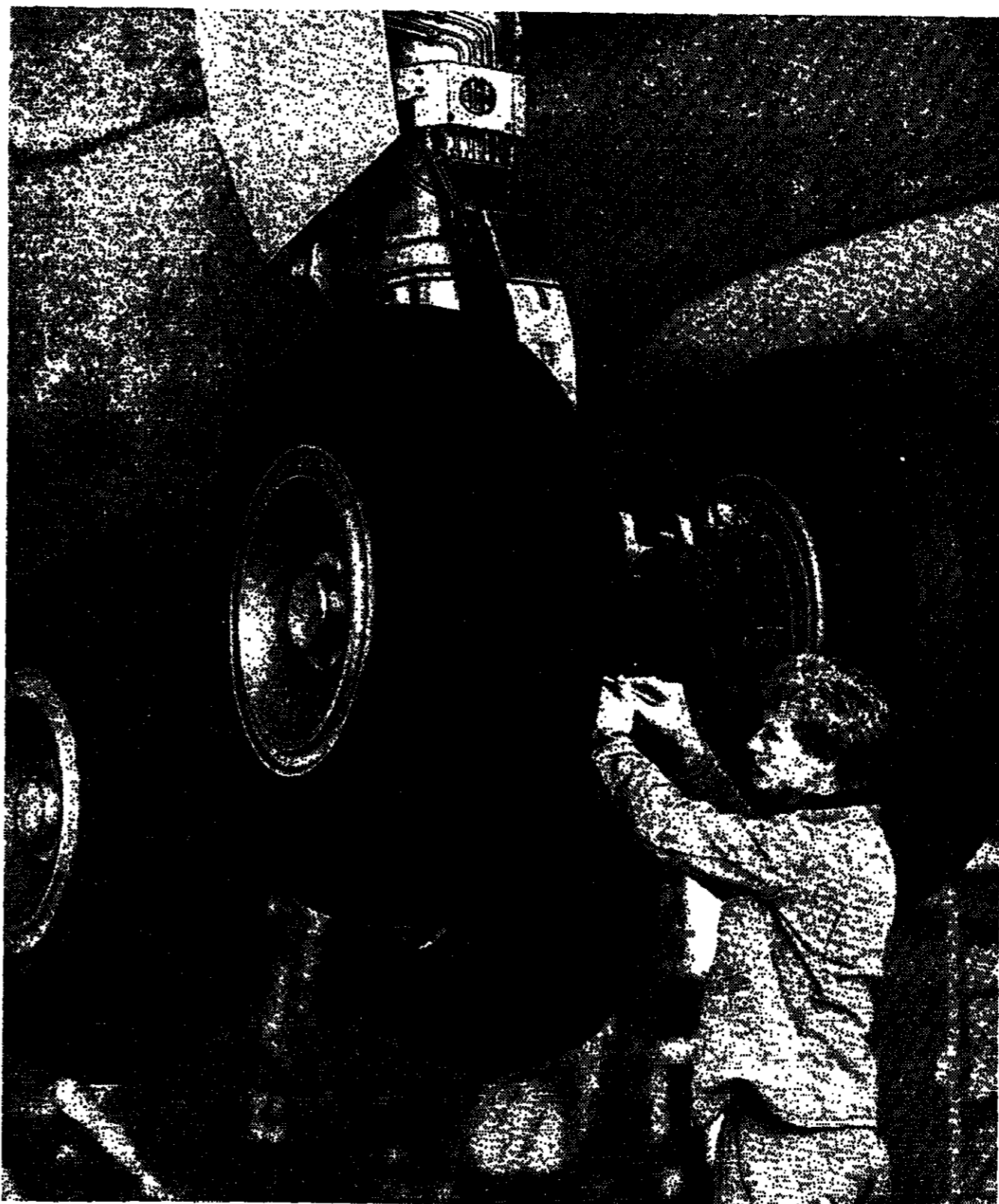
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## Beyond Exchange Rates

September brings the annual meeting of the Board of Governors of the International Monetary Fund and its sister institution, the World Bank. It was the IMF that inaugurated the fixed exchange-rate system after World War II and presided over the switch to floating rates 30 years later. The contrast between prosperity during the fixed system and the troubles that succeeded it tempts IMF watchers to ask whether the floating system works. One might as well ask whether a spade works.

The fixed-rate system broke down because it was abused; in particular, a provision for refixing obviously aberrant rates was left out in the rain and it rusted up.

The floating-rate system has been criticized because of vast swings in the values of currencies. Undeniably, when a currency's international value starts changing because of divergent trends in prices and demand, inventions and innovation, the process overshoots and we move temporarily from one wrong pattern of exchange rates to another.

But it is not clear that the volatility of rates under the floating-rate system has harmed the world more than the abuse of the fixed-rate system did before it was abandoned. Even the IMF staff finds no convincing evidence that world trade and investment have suffered from this cause.

An exchange rate is a price. In market economies the amounts of money needed to buy wheat, automobiles or cotton shirts have to move up or down, in relation to each other, to bring supply and demand into balance — to clear the market, in the technical jargon. Is it more harmful when the number of French francs needed to buy an American dollar moves?

The question may seem strange to those who have witnessed the disturbing economic effects of the price of oil moving from \$2 to \$30 a barrel, or the price of a dollar rising from less than four French francs to more

than nine. Recent large exchange-rate movements have certainly strengthened pressure for protection in America. But just as the oil price rise told us something important — the dangerous extent to which we depended on a depletable source of energy in the Gulf — so the exchange rate tells us something significant about how America and France, for example, have been running their economies, and it underlines the need for corrections. In both cases, reasonable stability of the prices in question can be achieved only if individual governments adopt reasonable economic policies designed in the light of what is happening in the outside world.

Opponents of floating rates have to ask themselves whether the wounds of exchange-rate volatility are worse than those that France and Britain inflicted on themselves under the old system, when they delayed devaluations that were inevitable, or the wounds that occurred when U.S. devaluation was at first resisted and then kept below what was necessary.

It seems fundamentally unlikely that a fixed-rate system could, of itself, have restrained the currency swings of recent years. Markets judge the relative values of currencies in the light of relative national developments and the policies underlying them. When markets decide that governments have got it wrong, no amount of exchange market intervention by the authorities or monkeying about with exchange controls is likely to recreate stability. In a free market, nothing slips across frontiers faster, out of government control, than a billion dollars.

For more stable exchange rates, governments have to think about better international coordination of their general economic policies, rather than about tinkering with the system. This is what needs discussing when the IMF Board of Governors convenes on Sept. 24 in Washington.

INTERNATIONAL HERALD TRIBUNE.

## The Deaths in Nicaragua

The latest U.S. argument over Nicaragua centers on the death of two American civilians who had joined anti-Sandinist insurgents and were killed in a clash with Nicaraguan government forces inside that country. Nicaragua charges that the two were "CIA mercenaries," while the U.S. government and the group to which they belonged say they were unpaid anti-communist volunteers. Critics suggest that the Reagan administration is at the least codding such volunteers and perhaps moving toward introducing American forces.

On the big question of whether American troops may eventually fight in Nicaragua or El Salvador, we see no possibility that this administration will take on a plainly antagonistic public or put down its own considerable internal resistance to the idea. It is a long way from the working-level solicitude shown, unwisely, to some private Americans who turn up in Central America. In fact, the repeated private aid may reflect not an expansion of the official American presence but a contraction. Congress has rejected further funding of the "secret war" in Nicaragua after Sept. 30, and has kept the Salvadorans guessing. Into the gap some private aid has flowed.

A more intriguing question is posed by the death of the two Americans in Nicaragua. Just what is wrong with what they did? American citizens are free to pursue their political beliefs

in ways that do not violate U.S. law. One thinks of Americans who fought in Spain's civil war in the 1930s, with Britain before the United States entered World War II, with Israel in its several wars. The Neutrality Act constrains what American citizens can do on home soil, and has been invoked against Civilian Military Assistance for some of its state-side activities. But the two who died were in Nicaragua. In fighting the Sandinists, moreover, they were doing only what the U.S. government has done through its aid to Nicaraguan insurgents. The principal objection to them — as to the U.S. government — is political, not legal. We have argued against American sponsorship of those insurgents since the "secret war" became known.

Should there be a law? Earlier this year the Reagan administration proposed to make it a crime to aid foreign groups designated by the secretary of state as "terrorist." We thought it was a bad bill, putting excessive discretion into executive hands and unduly limiting the rights of citizens. In this case, this administration presumably would not have proscribed a group dedicated to its policy goals, but another administration might have. Better, we think, to leave citizens free to make their own choices about the foreign causes for which they wish to risk their lives.

— THE WASHINGTON POST.

## 48-Hour Balanced Budget

Pre-election congressional sessions invite political ploys, and at first glance Speaker Thomas P. O'Neill's latest promise just seems another of them. Mr. O'Neill has promised that, if President Reagan submits a balanced budget, the House will vote on it within 48 hours. Everyone knows this is a promise Mr. O'Neill will never have to deliver on. Everyone understands it is a partisan riposte to the Republican charge that it is the Democrats who prevent the budget from being balanced.

Grant all that. Even so, Mr. O'Neill's promise usefully illuminates the debates on policy and politics. The speaker does not promise to support any balanced budget the president should propose; he just promises to let the House vote on it. But before you call Mr. O'Neill a hypocrite, ask yourself this: Which member of the House, all 435 of whose seats are up in November, would vote for a balanced budget? Far fewer, we wager, on both sides of the aisle, than you will hear ritually praising the balanced budget in the abstract.

Few in Congress, or elsewhere, have given

much serious thought to what a balanced budget would look like. Cut domestic spending all you want, eliminate all welfare programs you do not like, adopt the Grace Commission's ideas on waste-cutting, take great machete chops at defense — do all this until the budget is balanced, and you will come up with something almost every congressman will find in some critical aspect unacceptable.

Mr. Reagan would rather complain that Congress, or the Democrats, are blocking spending as much as he would like, and glide over the fact that he will not say, with minor exceptions, what spending he would cut himself. But Congress has a good reason for not cutting spending further: The American people do not want it done. They want substantial military spending. They want interest paid on the national debt. They do not want the rest of the federal budget chopped to nothing, which is roughly what you would have to do to balance the budget if you kept those first two kinds of spending and allowed no tax increase.

— THE WASHINGTON POST.

## Pinochet as the Emperor of Chile: Less an Augustus Than a Caligula

By Ariel Dorfman

BETHESDA, Maryland — For 11 years, each time I have turned on the radio, it has been with the hope that the next bulletin would report that Chile's ruler, General Augusto Pinochet, has been overthrown.

Ever since he led a bloody coup against the elected socialist president, Salvador Allende, on Sept. 11, 1973, I have waited in each of my many exile homes for that dispatch from Santiago. Instead, the radio insists on bringing other news: of torture and international bank loans, of people abducted in the night, of fraudulent plebiscites, of concentration camps.

At each of the general's crises, I have told myself: This time he will have to go. But he has outlasted all predictions.

Last year, it seemed as if my prophecies were finally being shared by most Chileans. General Pinochet's much-vaunted economic miracle had turned into the mirage that, to many, it had always been — with one-third of the labor force jobless, thousands of bankruptcies, the highest foreign debt per capita in Latin America and a record 14-percent drop in the gross national product. Millions of people, banging pots and pans, were demanding his resignation. Reports of his personal corruption began to surface in a press that could no longer be muzzled. His days were numbered, or so it appeared.

Yet, he has survived. Many critics who a year ago believed he was doomed now expect that he may misrule Chile until the end of the millennium. Apparently sharing that perception, the general recently went so far as to publicly compare himself to a Roman emperor.

How to get rid of a two-bit emperor? The answer of most Chileans has been, until now, fundamentally nonviolent. It is true that some fringe groups on the extreme left advocate armed struggle and also true that the strong Communist Party, which for 60 years had sustained the

idea that socialism could be reached without use of force, has proclaimed the right of public insurrection. But the Communists have not engaged in any significant acts of armed resistance.

They are held back, I believe, not only by the intuition that such a course might prove suicidal but also by the hope of most people, their own militants included, that change can come about without a long civil war such as El Salvador's.

The typical attitude is that of hundreds of thousands who the other day stopped at noon to sing "Thanks to Life," a song by Latin America's greatest folk artist, the Chilean Violeta Parra. This is the Chileans' answer: Despite having been raped, we do not want to reply with more pain and death.

If there is any Latin American country where active nonviolence has deep roots, it is Chile.

Then why is there no more international support for this movement? The United States keeps condemning terrorism, keeps stating that people should not resort to aggression to solve their problems. But what vigorous steps has the Reagan administration taken to help the Chileans rid themselves of oppression and injustice through peaceful means?

There is still a chance that my long wait by the radio will not prove futile. Augusto Pinochet remains in power only because he confronts a divided opposition and is supported by a united army. If the situation were reversed, he might find that the emperor he incarnates is not his namesake Augustus Caesar, as he must believe, but Augustus's great-grandson Caligula, who was eliminated by his praetorian guard.

If there is not a change soon, many Chileans, especially those who live in the most extreme deprivation and have been mercilessly persecuted, will despair of putting their muzzled bodies in front of bullets. They would then be exercising a legitimate right to rebel against tyranny, as did



Drawing by Soliman.

the American colonies. If that happened, the U.S. State Department, you can be sure, would issue a strident statement deploring the rebels' violence and calling on them to use less warlike means to achieve their ends. A more practical approach, beginning this minute, would be to prod General Pinochet into abdication by resoundingly deploring the real violence he exercises on a people who may be defenseless but who are not endowed with infinite patience. And by applying pressure. Otherwise, another El Salvador may be in the making.

The contributor, a writer whose latest book is "Witness," a novel, wrote this comment for The New York Times.

## The Sacred and the Secular

### In America, an Ironic Contrast to the Kennedy Pledge

By Theodore C. Sorensen

holding public office nor imposed by his office upon the public.

How ironic that the same pious preachers who extracted these pledges from John F. Kennedy now embrace Ronald Reagan for violating every one of them. How ironic that a president who campaigned on the need to limit government's role in the religious issue, that no president and no religious majority — even a self-anointed Moral Majority — would thereafter dare to challenge or attempt to coerce anyone else's religious or political standing. Mr. Reagan, in dashing those hopes, has opened a Pandora's box, releasing into the atmosphere dark elements of bigotry, disunity, incivility, hatred — everything but hope.

What can be done about it? When Mr. Kennedy was asked in 1963 about the potentially adverse effects of the Supreme Court's decision barring state organized prayers in public schools, he replied: "We have a very easy remedy. . . . Pray a good deal more at home."

To restore the crumbling wall between church and state, that simple remedy is still available, and is made more effective if exercised with another basic remedy: the right to vote.

his policy views, when he damns those who disagree as "intolerant" or against religion, when he uses the White House to impose a particular religious group's values on national affairs, he is eroding the basic principles that the nation adopted in 1791 and effectively strengthened in 1960.

After the divisive and destructive religious rancor of the 1960 campaign most Americans devoutly hoped that Mr. Kennedy's Houston speech, election and conduct of the presidency had settled "the religious issue," that no president and no religious majority — even a self-anointed Moral Majority — would thereafter dare to challenge or attempt to coerce anyone else's religious or political standing. Mr. Reagan, in dashing those hopes, has opened a Pandora's box, releasing into the atmosphere dark elements of bigotry, disunity, incivility, hatred — everything but hope.

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To restore the crumbling wall between church and state, that simple remedy is still available, and is made more effective if exercised with another basic remedy: the right to vote.

The writer, a New York lawyer, was special counsel to President John F. Kennedy. He contributed this comment to The New York Times.

## In the Vatican, a Cautious Line on Liberation Theology

By Juan de Onis

RIO DE JANEIRO — The Vatican, in issuing last week an extensive "instruction" to Roman Catholics on the so-called theology of liberation, condemned the mingling of Marxist teachings with the social and political views of some church sectors, particularly in Latin America. A few days later, as if to personalize the solemn instruction, a leading figure in Third World theology, Leonardo Boff, a Brazilian Franciscan, was submitted to questioning in Rome on his writings by Cardinal Joseph Ratzinger, prefect of the Sacred Congregation for the Doctrine of the Faith.

All this not only gave new prominence to what was a somewhat intramural debate, but also — contrary to some interpretations — showed a cautiously favorable stance by the Vatican hierarchy toward further development of liberation doctrines.

What is at stake, according to church progressives, is the relevance of the church to basic social, economic and political conflicts that have taken on revolutionary form in many Latin American countries. But to church conservatives what is also at stake is the unity of the church under a hierarchy based on the authority of the pope in Rome.

As Father Boff and other theoreticians of liberation theology see it, the church stands at a crossroads in the Third World. The choice for the church, in their view, is between identifying itself with the status quo or throwing itself as an institution into support and guidance for revolutionary changes in societies characterized by extremes of wealth and poverty.

But the option introduces great tensions in the societies and in relations within the church.

The most concrete expressions of liberation movements within the church are the so-called basic communities that have developed, with the encouragement of progressive bishops, clergy and religious orders, in the poor rural and urban slum sectors of Brazil and other Latin American countries. These "reflection groups," made up of peasants, workers, housewives and others, discuss the gospel and church teachings in the light of these people's daily lives. Unemployment, poverty, repression and alienation from the centers of power are current coin for parish priests and laymen involved in the movement.

As Father Boff wrote in "Faith on the Periphery of the World," the challenge facing the church is as much political as doctrinal.

"Either the church maintains relations with the state in a form of collaboration that means accepting

the present rules of the game in return for personal security and institutional religious and welfare services, or it takes seriously the experiences of the basic communities and the passions of the people, lending its voice and its social weight to promote substantial changes."

The church adopted the concept of a "preference for the poor" at conferences of bishops at Medellin, Colombia, in 1968, and at Puebla, Mexico, in 1979. These conferences tried to apply the decisions of Vatican Council II and the major social encyclicals of Pope Paul VI to Latin realities.

The evolution of the theology of liberation in this region, beginning with the Reverend Gustavo Gutierrez of Peru, paralleled this *aggiornamento*, or coming to terms with realities.

In extreme cases, radical Roman Catholics emerged who sought to picture a Christ returning to Latin America today as a guerrilla fighter. Some priests in Central America and Colombia joined guerrilla forces.

But the mainstream of the liberation movement is less flamboyant, and its best thinkers pose an evolved theological body of thought that goes to the heart of Roman Catholic belief and church government.

The theology of liberation deals in social and political realities. It has identified the concept of sin with social injustice, which it attributes to the capitalist system, liberal "individualism" and the dependency of Third World countries on "imperialism."

These concepts derived, according to some of the leading liberation

theologians, from Marxist social analysis that considers class conflict the main cause of historical change through social revolution. This affinity of temporal thought between the liberation movement and the Marxists is what the Vatican has condemned — but last week's instruction notably does not condemn the movement for seeking social changes that will favor the poor.

The main thing for me is that the Vatican does not place itself against the basic communities," Father Boff said before appearing in Rome.

Whatever the Vatican had in mind in issuing its instruction and questioning Father Boff, the likely response is to give even greater momentum to the theology of liberation, wherever Catholics want the church to be on the side of the oppressed.

Los Angeles Times.

## That Dallas Platform Isn't Harmless

By C.W. Maynes

This is the first of two articles.

WASHINGTON — The Republican Party platform has been described as a very conservative document and dismissed as a piece of paper that no White House incumbent, including Ronald Reagan, would follow in office. But this black attitude betrays an ignorance of the political revolution that has taken place in the party.

The party is increasingly dominated by a radical right totally out of step with the rest of the democratic world, including the most conservative portions of that world. A Republican Party dominated by the men who controlled the proceedings in Dallas could not fail to place a great strain on America's friendships throughout the world, particularly after the current, relatively pliable White House incumbent leaves the political scene.

The Dallas platform is sobering because it shows how little effect the experience of wielding power has had on the foreign policy views of the ascendant faction of the Republican Party. The platform is not a conservative document but a radical manifesto that carries falsehood and irresponsibility to new levels for American politics.

The Carter administration is accused of "diminishing" U.S. military capacity, and of "unilateral disarmament." In fact, that administration reversed earlier trends of declining military budgets.

The Republican platform effectively

calls for the breakup of the Soviet Union, the overthrow of the Castro government and popular revolt throughout Eastern Europe. Not satisfied with a call for more immediately in the Soviet Union, it wants "national self-determination," a code word for independence for the various parts of the Soviet Union. The Dallas drafters envision a "genuine democracy" in Cuba's future. In another context this would be an unexceptional goal, but the Reagan administration began its term with talk of solving its security problems in Central America by "going to the source," which it saw as Cuba.

Although the president had earlier ended talk in his administration of "prevailing with pride" in a nuclear war and had instead insisted that no side could win in a nuclear exchange, the Dallas document reintroduced into the political dialogue this Strangelovian concept. Since neither side will accept inferiority, the document also lures the arms race by its call for "maintaining a technological superiority" over the Soviet Union.

The Carter-Mondale administration is depicted as anxious to sign agreements with the Russians "at any price." In fact, that administration entered into and then froze or

broke off negotiations with the Soviet Union over the Comprehensive Test Ban Treaty, limitations on naval forces in the Indian Ocean and conventional arms transfers, because it could not agree on terms.

Mr. Carter could also have had a SALT agreement in his first year if he had been willing to exploit immediately the conceptual breakthrough that President Ford had achieved at Vladivostok in his talks with Leonid Brezhnev. Instead he chose to settle for terms very close to those Mr. Ford had developed.

The Dallas drafters complicate the efforts of the International Monetary Fund to stave off a global credit collapse. Endorsing legislation sponsored by Congressman Jack Kemp of New York, the platform denounces the "austerity programs" that the IMF has negotiated with key developing countries that are trying to pay off their debts to Western banks.

There are also passages that suggest that the distinct Know-Nothings of the mid-1800s retain influence in the United States. In Dallas the Republicans denounced the Palestine Liberation Organization for relocating in Syria when in fact it has relocated primarily in other Arab countries and Syrian gunners have been raining shells on PLO forces in northern Lebanon.

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## A U.S. Debt To These Vietnamese

By Stanley Karnow

WASHINGTON — The Reagan administration could perform an important humanitarian service by granting asylum in the United States to the thousands of Vietnamese who have been held in concentration camps in Vietnam since Saigon fell to the Communists.

Administration officials have been discussing the issue with congressional leaders, and a decision is near. Vietnamese leaders in Hanoi have said repeatedly that they would release the prisoners on condition that they be moved to the United States. But it remains to be seen whether they will stick to their pledge.

One reason to be skeptical is that they have consistently rejected requests by the International Red Cross to visit the camps, which are called "re-education" centers. Refugee specialists have no lists of the inmates, who are estimated to number between 6,000 and 15,000.

But it is up to the United States to test the sincerity of the Communists, largely for the sake of the prisoners and also because their plight is, to a shocking extent, the result of official U.S. bungling.

It was plain during the early spring of 1975 that the anti-Communist government of South Vietnam was doomed. North Vietnamese forces were rolling toward Saigon, and South Vietnam's president, Nguyen Van Thieu, was committing blunder after blunder as he tried to organize his defenses.

Still worse was the conduct of Graham Martin, the U.S. ambassador. He refused to believe that the end was close, and rebuffed recommendations to initiate evacuation plans.

The Americans in Saigon escaped at the final hour, lifted by helicopters to aircraft carriers lying offshore. But thousands of South Vietnamese who had worked for the U.S. Mission were left behind. Some had held sensitive intelligence jobs; many died.

A few American officials, performing daring feats to rescue the Vietnamese most in jeopardy. But most of the local employees were abandoned to the Communists, who dealt with them harshly.

Those who have managed to come out of the "re-education" centers have told stories of being beaten, tortured or denied adequate food. Their sufferings have been documented by Amnesty International.

When I was in Vietnam a few years ago, I learned that the pervasive repression extended to anyone even remotely suspected of having reservations about the Communist regime.

Even a prominent Communist with whom I dined one evening deplored the severity of the crackdown. The regime, she said, was squandering talented people by jailing them for such ludicrous reasons as having attended school in America.

Should the United States open its doors to these prisoners, much of the credit for the breakthrough should go to those who have been lobbying for more liberal policies. They include Representative Stephen Solarz of New York and Roger Winter, head of the U.S. Committee for Refugees.

State Department experts have been active as well in persuading Secretary of State George Shultz to support a more flexible approach. The Vietnamese Communists are eager to improve their relations with the United States, to a large degree in the hope of maneuvering with China, their principal enemy.

Even if the political prisoners in Vietnam are granted haven, the problem will be far from resolved. Thousands of Vietnamese, Cambodians and Laotians are languishing in refugee camps in Thailand and elsewhere, and thousands more still pour in from Cambodia.

The United States has already taken some 700,000 refugees from Indochina since 1975. Most have proved to be enterprising residents, and I would submit that more of them ought to be taken.

This terrible situation once again demonstrates that the Vietnam War is not finished and is not likely to be soon, for the Vietnamese or for the United States.

Tribune and Register Syndicate.

## LETTER

Unnamed Sources

Some of your readers may be irritated by the frequency with which your reports cite unidentified "diplomats" as the source of opinions and allegations of fact.

An argument can perhaps be made for the practice of publishing allegations of fact made by persons who do not wish to have their identities revealed. It may be doubted, however, that journalistic deontology should permit a foreign correspondent to buttress his reports with anonymous quotations. For whom are these unnamed diplomats speaking? Do they represent their government's views, or are they voicing personal opinions? Do they, in fact, always exist, or are they created by the writer to support his — or his publisher's — position? At the very least, the reader ought always to be told the "diplomat's" nationality so that he can evaluate what is alleged to have been said.

It is, of course, natural for a correspondent to interrogate diplomats contacts as part of his everyday work. But when a diplomat's words are published without identifying him, responsibility for what he says is obscured. Would it not be fairer to the reader (although perhaps it would not be in the United States journalistic tradition) to permit the journalist, having canvassed his diplomatic contacts, to give us his own views, employing the first person singular if he so wished? At least the responsibility for the views expressed would be unambiguous.

CAMPBELL BALLANTYNE, Geneva.

## FROM OUR SEPT. 12 PAGES, 75 AND 50 YEARS AGO

**1909: Dr. Cook Is Not 'Ungentlemanly'**  
LONDON — "Reynolds" Newspaper remarks: "It seems probable that we are in for a bitter and prolonged controversy as to who is entitled to the honor of being acknowledged as the first discoverer of the North Pole. Many of the suggestions made about Dr. Cook are altogether unworthy of those who profess to have any scientific interest in the question at all. In criticism of him, there seems to be a kind of underlying feeling that it was an ungentlemanly thing to do to discover the Pole before Commander Peary, who had often tried. To give Dr. Cook his due, his tributes to Commander Peary have been generous, and his own story has been told with modesty. We are content to accept his account provisionally."

**1934: Louisiana Votes Under Bayonets**  
NEW ORLEANS — Bayonets bristled in New Orleans and other anti-Long parishes as the people of Louisiana went to the polls [on Sept. 11] under the virtual military dictatorship established by Senator Huey Long to assure his candidates' election and complete his political domination of the state. The "Kingfish" is seeking the re-election of two Congressmen, a Supreme Court Justice and a member of the Public Service Commission. Senator Long took over New Orleans with the aid of the state legislature and 3,000 National Guardsmen two weeks ago, after he previously had seized the Parish Registrar's Office and had stricken from the election rolls all names he considered hostile to his candidates.

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## ARTS / LEISURE

## At Deauville Festival, a Film Biography of Director Stevens



George Stevens: A Hollywood career, as seen by his son.

By Thomas Quinn Curtiss  
*International Herald Tribune*  
DEAUVILLE, France — The 10th Deauville festival of American cinema, which ended last weekend, offered a choice selection of U.S. films, many being screened for the first time in France.

The occasion's most imposing and memorable event was the world premiere of "George Stevens: A Filmmaker's Journey," a moving tribute to the famous director of "Shane," "A Place in the Sun" and "Giant," compiled by his admiring son, George Stevens Jr., a producer of television documentaries.

The elder Stevens' career is recounted in a commentary by his son, interspersed by interviews with his surviving working associates — among them, Katharine Hepburn, Max von Sydow, Fred Astaire, Ginger Rogers, Douglas Fairbanks Jr., Cary Grant and John Huston — and his achievements are vividly illustrated with excerpts from his motion pictures.

Stevens was born in San Francisco, the son of theatrical parents. His uncle was Ashton Stevens, a

celebrated drama critic in New York and Chicago from the early part of the century until his death in the 1950s. Ashton Stevens was the model for the character played by Joseph Cotten in Orson Welles' "Citizen Kane."

When the movies dulled the public's appetite for live performances in the 1920s, the Stevens family moved to Los Angeles in search of employment. Stevens' mother and father found only occasional extra work, but their son, who had a passion for photography, was soon a cameraman for Hal Roach's comedies, shooting the antics of Laurel and Hardy in silent two-reelers.

From these expert downs he learned much about what makes audiences laugh, but he was anxious to create films instead of merely recording them. He was hired as an assistant director on several Westerns starring the white horse Rex, but it was only in 1935, largely because of the intervention of Hepburn, that he attained full directorial status.

The film was "Alice Adams," derived from Booth Tarkington's novel about a small-town girl with snobbish social ambitions. It had been done before with the lovely Florence Vidor in silent days, but Stevens injected it with his own dry humor. With his first try he gained a reputation as a screen stylist.

He displayed his versatility in a series of films that followed, guiding Astaire and Rogers through their steps in "Swing Time," re-creating Kipling's India in "Gunga Din" and directing Astaire again together with George Burns, Grace Allen and Jean Fontaine in "A Damsel in Distress," from a script by P. G. Wodehouse and a score by George Gershwin.

When World War II was declared, he enlisted and left Hollywood after completing a comedy about wartime Washington, "The More the Merrier."

As an officer in the U.S. Army Signal Corps he was assigned by Eisenhower to photograph the Normandy landings, the liberation

of Paris and the ghastly revelations of the Nazi concentration camps. His son has included much of that footage, which had not been released for public showing. It is strong and thrilling stuff, and the director's war experience stirred him to more serious speculations on human frailties when he returned to Hollywood.

There he devised a version of Theodore Dreiser's novel "An American Tragedy," shifting its scene from pre-World War I times to the post-World War II era with Clyde Griffiths as an ex-GI only partially under the influence of his parents' fanatical religiosity. As "A Place in the Sun," it was enacted by Montgomery Clift, Elizabeth Taylor and Shelley Winters.

In "Shane," Stevens broadened the scope of the traditional Western into a drama of conscience. He retold "The Diary of Anne Frank" with gripping realism and compelling pathos.

His enlarged outlook on the world, however, brought him to financial disaster. He studied Christianity and decided to crown his career with a film about the life of Jesus.

"The Greatest Story Ever Told," written by the poet Carl Sandburg, suffered numerous setbacks in its filming. For example, the sets of Jerusalem built in Nevada were snowed under, causing an interminable delay while the overhead mounted.

The finished film, of 1965, was of distinguished quality, but it failed at the box office. The exorbitant cost of the production was never recovered, and the studios were reluctant to entrust Stevens with future assignments. He found himself in the identical position of the cinema's pioneers — D. W. Griffith and Erich von Stroheim — who were dismissed as impossible and expensive visionaries.

"Try the Indian cooking at the zippy Bombay Brasserie" is a W. Apple Jr. NEW YORK TIMES "Best London buffet lunch."

THE GOOD FOOD GUIDE 1984 Quite different from run-of-the-mill Indian restaurants, but no more expensive. FAY MASCHER, The Standard.

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## 'View' Has Sense of Old-Time Drama

By Sheridan Morley  
*International Herald Tribune*

LONDON — Those of us lucky enough to have been reminded at this East Anglian university seminar this summer of the greatness of Arthur Miller now get further proof of that remarkable talent at The Young Vic, where there is the first major production in almost 30 years of his "A View From the Bridge."

The last one was banned by the Lord Chamberlain. In those best forgotten days of theatrical censorship, steel-nerved adults who wished to see Anthony Quayle kissing Richard Harris on stage had to join a "club" at the Comedy Theatre.

But now that the play is on public show, it may come as something of a surprise. In the first place it's not really about homosexuality, any more than it is about the great Lean-like figure evoked by Quayle coming to terms with an incestuous love for his own niece, although those are minor strands of the plot. Essentially, though, this Tennessee drama comes, like "The Crucible" (written three years earlier and now also in British revival on a small-scale Royal Shakespeare Company tour), directly from Miller's fixation on conscience and betrayal, issues highlighted in the United States by the McCarthy hearings of the mid-1950s. Indeed, 1956, the year when "A View From the Bridge" was first seen here, was also the year that Miller was found guilty of contempt of Congress for his refusal to answer the questions of the House Un-American Activities Committee.

It is therefore not easy to consider "A View From the Bridge" — expanded from an original and more poetic one-act drama — in the isolation to which some have again consigned it. Like "On the Waterfront," set only a few hundred yards away, this is not just another Italian-American soap opera about a rough community where even Brando could have been a contender. It's about the mud-century agony of a country trying to work out its familial, racial and political loyalties, and that gives it, even in the most overblown moments of the script, a raw dramatic power unavailable elsewhere in London now that we have lost both "The Country Girl" and "Golden Boy."

Sure, it drags a bit and creaks a bit. And there are moments when Eddie Carbone's decision to betray his illegitimate cousin to the authorities because he may be gay and about to make off with the beloved niece seems a bit obscure, especially when we have to have his lawyer like a Greek chorus explain the morality of it all.

But this is the play that gets us from "All My Sons" to "West Side Story," and in Roger Smith's production, it draws marvelous performances not only from Malcolm Tierney and Annie Ross as the Car-

bones but also from David Harcourt as the narrator-lawyer and Vincenzo Ricotta as the dancing tutor ("If you could a paper fast, you could blow him over").

There is a street poetry here worthy of Odets, but as Brooklyn tragedies go, there has never been one about collective and individual differences, even in Ulster.

## THE LONDON STAGE

guit that managed so powerfully to link sexual and social betrayal to a greater scheme of things, in which the lawyer can tell us: "Only God makes justice." For its ambition and its sense of old-fashioned drama "A View From the Bridge" is unmissable.

The hits of the Edinburgh Festival are still coming south, and at Riverside now there's the chance to catch up with Lindsay Anderson's lyrical revival of "Playboy of the Western World." Though it may lack the inventive joy of Mustapha Matura's reworking of that same text earlier this year, for "Playboy of the West Indies," this production does a good deal to get the play away from jocular old-Irish overacting and back toward its roots in the "reality and joy" demanded by Synge.

Frank Grimes, bringing to this country a performance already acclaimed in the United States, plays Christy "romancing through a romping lifetime to the dawning of the Judgment Day" with just the right air of cocky innocence turning to cynicism when he discovers that he is only loved for his own lies about a father murdered.

Pickles as Peggie Mike somehow fails to give the play's closing line its awful, haunting power, but Nicola McAuliffe is a memorable Widow Quinn. The production now has a confidence that was totally lacking in this year's earlier productions of "Serjeant Musgrave" and "The Biko Inquest" by the same new United British Artists company.

And from an Ireland of the misty past to the Ireland of the awful present: Ron Hutchinson's "Rat in the Skull," launching a new Irish drama at the Royal Court, is a blackly funny dialogue for three coppers and a suspected Irish Republican Army terrorist in a London police station. Two of the coppers are Londoners, and they have painstakingly built up a very good case against their suspect, when it is totally destroyed by the third, a detective-inspector on loan from the Royal Ulster Constabulary, who during the interrogation decides to take a walking tour in hobnail boots all over his fellow countryman's face.

Hutchinson's play, although at first reminiscent of John Hopkins' "This Story of Yours," soon develops into a clenched debate about the nature of the present Irish trou-

bles that has more to say than any of those taking place at present in the political arena. One of its central points is that though two Northern Irishmen may be on opposite ends of an Royal Ulster Constabulary truncheon, they are yet closer to each other than to any Englishman: Religious differences still take second place to national differences, even in Ulster.

A two-hour no-interval evening played on a bare gray stage, "Rat in the Skull" is dependent almost entirely on the strength of Hutchinson's distillations against the indifference of the English in a fundamentally Irish situation. But by locating the debate in Paddington Green, and by showing us an incident in which career ambitions and domestic tranquility can overtake what began as a difference of politics and religion, the play performs a useful service. A drama critic is sometimes asked why the present Irish troubles have thrown up no O'Casey, no Behan. Whatever happened to the playboy in Belfast itself?

Hutchinson provides us some of the answers and a lot more questions. In the battle between the RUC man (Brian Cox) and his IRA suspect (Colin Hanks) we get to overhear a lot about the way the police look after their own, and a lot more about the way that nobody much wants to look after Ireland anymore. Max Stafford-Clark admirably directs a tragedy-comedy of bleak, intelligent despair in which the psychiatrists have taken over from Synge's bar-brawlers as the true voice of a nation in chaos.

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## Manuscripts Sent to Iceland

COPENHAGEN — Denmark this month completed the transfer to Iceland of more than half of the approximately 1,800 early manuscripts, including the renowned Icelandic sagas, it has held since 1730.

After a protracted dispute, a 1965 treaty between the Danish and Icelandic governments was ratified in 1971, calling for the transfer of the manuscripts from Copenhagen to Reykjavik by 1990. The first consignment of manuscripts,

dispatched in 1973, comprised works considered indispensable to the Icelandic heritage, such as a collection of mythological poems dating in written form from the 13th century, and the Flateyjarbok, a canon of prose sagas of the old Norwegian kings.

The restitution of the entire collection is expected to be completed on schedule within the next 12 years, according to Professor Jonna Louis-Jensen of the University of Copenhagen and leader of the project.

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## INSIGHTS

## Reagan's Foreign Policy Struggle

By Murray Marder

Washington Post Service

WASHINGTON — The 16 blocks of Pennsylvania Avenue between Capitol Hill and the White House are sometimes a pathway for cooperation, but more often a frontier between rival power centers. After three and a half years of the Reagan presidency, competition predominates across the spectrum of international policy.

In foreign affairs President Ronald Reagan portrays himself as a Gulliver tied down by Lilliputian constraints, at the same time claiming success in moving the United States to a strong position in world affairs.

Congress has been assertive in foreign policy for a decade, from the end of the Nixon years. This assertiveness has raised exceptional challenges, however, for the Reagan administration. There is a combination of inherent institutional rivalry and reaction to the president's determination to overturn much of the earlier pattern of foreign policy.

Mr. Reagan's opposition to all arms-control pacts negotiated by his predecessors, as well as his propensity to rely more heavily on the use of military force, has struck great sensitivities in a legislature trained to checkmate presidential power. With Congress and the president approaching the task of government from these opposite directions, Congress is unusually wary of Mr. Reagan's intentions, particularly in nuclear arms control and in the use of U.S. troops overseas and in support of foreign wars.

As a consequence, Congress has gone to extraordinary lengths to try to control administration foreign policy, by writing unusually explicit prohibitions, timetables and weapons schedules into legislation.

Congress moved from making human rights a condition for foreign aid, to setting tight limits on military advisers in El Salvador, to trying to cut off U.S. support for anti-communist guerrillas in Nicaragua. To induce productive negotiations on nuclear arms control, Congress — particularly the House of Representatives — has increasingly sought to put strings on development or production of new weapons systems, such as anti-satellite missiles, the sea-launched cruise missile and the MX missile.

Some of these conditions are new, including holding weapons systems hostage to evidence of the Reagan administration's sincerity in nuclear negotiations and evidence that the Soviet Union is unresponsive.

The current round of these efforts is imbedded in debate over defense authorization and appropriation bills. Inevitably, some form of compromise will emerge. The Reagan administration has shown great resourcefulness in extricating itself from the webs that Congress spins around it.

To some Washington veterans, therefore, the bottom line is that Mr. Reagan wins and Congress repeatedly shows itself to be a paper tiger. The administration's strategy is to keep the question of who wins an encounter, however, the larger issue troubling many professionals caught up in the process is the cumulative cost to the nation.

Across the government, in both the legislative and executive branches, senior members express apprehension that the United States is steadily losing coherence and predictability in its foreign policy.

In the United States, Mr. Reagan's domestic successes have dominated public interest in the legislative process, as administration strategies planned.

In the first two years of the Reagan presidency a coalition of Republicans and conservative Democrats in the House enabled the administration to ride over the nominal Democratic majority.

White House Legislative Strategy Group — with James A. Baker 3d, the White House chief of staff and other top Reagan advisers as members — gained authority over what it called "everything that moves" in the government. A presidential assistant, Richard G. Darman, who conceived the group and became its coordinator, has compared its functions to playing "a multi-dimensional chess game."

The game has changed considerably in the last two years. The 1982 election cost the administration its prized operational control of the House. Since then there has been a running battle for votes, especially in foreign affairs, with the administration plagued by internal policy splits among the highest officials in the State and Defense departments and the White House.

Now, as White House strategists plan for the second Reagan term they anticipate, an official noted a natural erosion of presidential power in every term. "We don't know the rate of erosion in a second term," he said. "The risk of making a mistake that would start the curve down is much greater in the second term."

This means, the official said, a president has to move fast, especially in foreign affairs, in the expected second-term "honeymoon" of six to nine months.

Although no one in the Reagan White House would say so in public, some senior staff members there do accept the activism of Congress as natural and enduring. To reject it, said one, "is running against the tide of history."

Congress likes to be fondled, but not played with," said Kenneth M. Duberstein, who left his post as chief lobbyist at the White House at the end of 1983 to become a vice president in Timmons and Co. Inc., a lobbying concern. An adviser to the Reagan re-election campaign, he displays no chagrin about the congressional outlook, only pragmatism.

A favorite word of the Congress in the last several years is "conditionality." Mr. Duberstein said, "For everything there are conditions now. What you read in the headlines is that Reagan 'won' on X vote. What you don't read in the headlines, or watch on network news, are the conditions that Congress incorporated in the Reagan win."

If Reagan wins a second term, greater use is anticipated of bipartisan commissions to bridge otherwise insurmountable divisions with Congress, such as those on social security, Central America, the MX missile and nuclear strategy. Some members of Congress, however, foresee more roughhouse tactics on both sides.

THE administration has pursued a war in Nicaragua that the House three times has tried to cut off, a war the Democratic nominee, Walter F. Mondale, is pledged to end if he becomes president. The Reagan administration has shipped weapons abroad that Congress sought to block and made military dispositions that Congress tried to foreclose. It has tied Congress in knots over the Nicaraguan rebels, Stinger missiles, El Salvador, population control, military bases, multilateral aid and, notably, over whether the Soviet Union or the Reagan administration is responsible for the stalemate in nuclear arms control.

In the process, the United States has edged to the right in its overall foreign policy, including the economic and sociological sectors.



A Shining Path, or Sendero Luminoso, guerrilla, imprisoned in Peru, studies the thoughts of Mao in his cell.

## Peru's Rebels Operate by Their Own Rules

Shining Path: Brutal, Secretive and Imbued With a Near-Messianic Zeal

By Marlies Simons

New York Times Service

LIMA — They hunt dynamite, occupy villages, recruit the poor and indoctrinate the young. To some, they are disciplined idealists, full of soaring promises of a better world. To others, they are fanatical executioners.

It seems a familiar story about leftist rebels, this time set in the Peruvian Andes, among the Quechua Indians. But the Shining Path, or Sendero Luminoso, guerrillas, against whom Peru's government recently ordered a large-scale military drive, go by an entirely different set of rules.

Claiming to be the only vanguard of world revolution, they hold Havana, Moscow and Beijing in contempt and appear to admire only the radical Gang of Four that tried to seize power after the death of Mao in 1976.

They have baffled South America's liberals and leftists, who usually sympathize with revolutionaries. Among Peruvian politicians, both the far left represented in the parliament and the Marxist mayor of Lima have disowned them. So has China's Foreign Ministry.

Large-scale killing appears to take place on both sides of the Peruvian conflict. In August, several mass graves were found and the bodies they held were apparently those of the victims of military repression against suspected Shining Path guerrillas. Late in the month, when the army commander in charge of the drive suggested a more political approach to the problem, he was dismissed.

For a long time, little was known about the guerrillas except that they frequently executed perceived enemies. Their numbers, organization and ideology remained much of a mystery. They showed no interest in publicizing themselves in the press; Abimael Guzman, their founder and leader, has not been seen by outsiders for six years.

But a recent visit to a men's and a women's prison provided some of the first interviews with middle-ranking leaders of the group, offering some direct insight into their nature and philosophy.

According to officials, Peru is holding 855 people on charges of terrorism, of whom 260 are in Lurigancho, the nation's largest prison. The bleak compound sits on a mean, brown strip of windy desert just outside Lima. Compared with the other, rowdy cellblocks, where guards said they could not guarantee a visitor's safety, the separate "political" wing seemed a model of silence and work.

Such special quarters for political inmates are not unusual in Peruvian prisons, where the prison authorities provide almost no food, clothing or library services. Such things as food, bedding, reading materials and the like are provided by relatives. The inmates are left much to their own devices in their quarters and are free to decorate the walls with political banners and stock their libraries with leftist political literature.

Amid broken windows, swarms of flies and the stench of an open sewer, the guerrilla prisoners — young and middle-aged men with Indian features — were writing, weaving or reading books from their own small libraries.

Frayed volumes had been stitched with cotton thread: texts of Mao and Lenin, a Bible, poetry from Spain, the writings of José Carlos Mariátegui, the Peruvian who wrote half a century ago that "Marxism-Leninism will open the shining path to revolution" and thus provided the group with its name.

Several young men who appeared to be leaders said that 134 members of Shining Path were in the prison. But they wanted to talk only of prison conditions. They cited torture, lack of food, 10 men with tuberculosis, four with hepatitis and general anemia.

No real names would be given, the spokesmen said. They were farmers, miners, students and teachers from all over Peru. Some had spent more than three years in jail, they said, and few had been sentenced.

"We are thousands," one of the young men said simply.

Government estimates have put the strength of the guerrillas, who have incorporated about six other small leftist factions, at 2,000 to 7,000 militants. But there are no reliable estimates for collaborators.

They are believed to be poor Indians, students, people in the vast Lima slums. Many are thought to lead normal working lives, acting as guerrillas only for the duration of an operation.

Others, Roman Catholic Church sources say, are believed to be lay preachers. Slowly the prisoners switched to their political message, showing some of the near-Messianic zeal that has prompted some Peruvians to describe Shining Path members as "the fundamentalists of the armed left."

Taking turns, the young spokesmen said that their group was fighting to enter a "new historical stage of Marxism" because "everywhere, in other revolutions, revisionists have seized power only to dominate the people."

Their leader, Mr. Guzman, is known as the Fourth Sword of Marxism, they said, because he is following the true path of the three others: Marx, Lenin and Mao.

Peru, the spokesmen said, is now the world center of this revolutionary stage and Shining Path is its "beacon and guide." But when the new era comes, a young man named Oscar added, "there will be a joint intervention against us by the Soviets and the North Americans because they will find true communism intolerable."

They spoke with more vehemence of the "social imperialism" of Moscow than of "Yankee imperialism" and said they favored the cause of the rebels in Afghanistan.

MAO'S China had been chosen as their model because of its similarities with Peru. "We are also a semi-feudal and semi-colonial society," Oscar said, with illiterate peasants "abused by a minority for centuries."

Strategy in some ways was similar to that of the Chinese revolution. "In a military offensive that may take 20 years," Oscar said, "the peasants will surround and cut off the cities and finally take them."

A "Popular Republic of the New Democracy," the prisoners declared, has already been established in "liberated zones" in the Andes. Large writing on the prison walls proclaimed Mr. Guzman, known by his nom de guerre of Gonzalo, to be its president.

In the "guiding thoughts of President Gonzalo," sheets of fine calligraphy displayed on red tissue paper and framed with gold on a large board, appeared the only bright spot amid the squalor.

Gonzalo's pronouncements usually come in easy phrases and aphorisms, much like those of Mao. "The Great Break has come," one read, "the Rebellion is justified."

It was 1963 when Mr. Guzman, a philosophy teacher, arrived with a group of teachers and students in Ayacucho, an old and quiet Andean town on a 30-hour bus ride from Lima. University students were apparently mesmerized by this man who wrote his thesis on the "Theory of Space in Kant," who was first a pro-Moscow communist and who, like many Peruvian leftists, sided with China after the Chinese-Soviet split.

He was vehement, lucid, intense when he had an audience," said one of Mr. Guzman's former students. "Outside class he was withdrawn and very secretive." The extreme secrecy and the schematic nature of Shining Path, some believe, may be linked to these traits of Mr. Guzman.

In the isolation of Ayacucho, in 1970, Mr. Guzman and a group of teachers and students formed the Communist Party of Peru, which became known as the Shining Path.

They spent the next 10 years laying the groundwork for guerrilla warfare, using research projects to study peasant life and recruit members in the outlying Quechua Indian communities, the poorest and most neglected part of Peru. At the same time, according to an intelligence source, they infiltrated the police, the

military and public utility companies in the cities.

"Many people wanted action; they were tired of the endless hairsplitting of the left," a Ayacucho resident recalled.

The prisoners were asked why their war was launched in 1980, when Peru obtained an elected government after 12 years of military rule.

"To show the whole system is rotten," said a young man who called himself Carlos. "The government is irrelevant to most poor people, it's all the same, civilian or military."

Since then, the guerrillas have killed more than 100 policemen and many more villagers and minor officials and their acts of sabotage have caused losses of \$75 million.

If Mao said that an alliance of the peasantry, the proletariat and the middle classes was the way to make a revolution, why had Shining Path killed peasants, small-business men and minor officials in the villages and towns? There were reports of a massacre of about 70 people in the village of Lucanamarca last year.

THERE had been no massacres, only "government propaganda" to discredit their movement, a young man replied. Another prisoner added: "Some people have been executed, traitors, informers, exploiters of the people. This is a war."

The prisoners gave no direct answers to questions about the size of the organization, its financing or its reported tight cellular structure. On occasion, there were glimpses of the Maoist style of self-sufficiency and insularity that reportedly inspired Shining Path. Unlike Central America's rebel groups, Shining Path appears not to depend on outside supplies or solidarity.

The movement needed little money, the prisoners said, because living off the land was an important part of their strategy. With the absolute faith that characterized most of their statements, a prisoner said, "Shortages will always be overcome if the path is right."

That path appears to include stealing and fabricating weapons. The police said the guerrillas have stolen 95 cases of dynamite so far this year and showed ingenuity in inventing weapons: they tossed dynamite sticks with llama-hair slings, a weapon of Indian herders, made bombs out of cans and turned fishing-line guns into mortars. Most of the confiscated firearms, the police have said, were stolen from the police and military.

In the Chorillos women's prison, conversations followed much the same lines. Of the 80 women held on charges of terrorism in Peru, six live in a large room, among babies and cans of powdered milk. In Peru's traditional society, many people have been shocked by the fact that women have not only joined the guerrillas but at times have reportedly led attacks.

Holding her baby, born in prison two months earlier, Liliam Torres, 23, said she had worked as a maid and a street vendor in Lima from the time she was 17.

She had been afraid at first "to join the party," she said, but became aware of her responsibility when she learned about the "class struggle" and the "offensive of world revolution" taking place in Peru.

"Now I am happier," she said. "I have stopped being a vegetable."

Another member of the group, Irene Aedo, said she was a peasant woman from Ayacucho, "desperate" about her six children abandoned back home. The "beliefs" of the other women, she said, "will not enter into my head."

The women did not enter into the militancy of the men, perhaps because they live in a much smaller group.

It was noon in Lurigancho Prison when the men prepared to eat the soup they had cooked. But first they conducted their revolutionary rites. Lining up along the walls, one of them in a wheelchair, the quiet group quickly turned into a fierce choir.

"The masses roar, the Andes shake," some 50 men shouted, clapping hands and raising fists. "Policemen, cannon fodder, the revolution will smash you."



Members of the Shining Path movement hold a political meeting in their wing of a Peruvian prison.

Mr. Reagan has said his administration is hobbled by some 150 restrictions imposed by Congress in the last 10 years on the president's power in international diplomacy. When Senator Robert J. Dole, Republican of Kansas, invoked that number in a radio debate with Senator Edward M. Kennedy, Democrat of Massachusetts, Mr. Dole cited it as 150 restrictions imposed by "liberals" in Congress.

However, many Democrats and Republicans in Congress agree that the pendulum has swung too far: Congress is institutionally stunted in duplicatory attempts to examine, check, review and direct U.S. actions abroad.

Both Democrats and Republicans sympathize with the complaint voiced by Presidents Jimmy Carter, Gerald R. Ford and recently by Mr. Nixon since the early 1970s and recently by Mr. Reagan, who said, "I just don't think that a committee of 335 individuals, no matter how well-intentioned," can conduct the nation's foreign policy.

Consider this:

"I think one of the most grievous inadequacies of our present system is that the president of the United States, who has to conduct foreign policy, is left castrated in terms of ... crucial foreign aid and military assistance. I could give you a hundred examples. It took us a year to get the little help we got in Nicaragua. ... For crying out loud, 'let a president govern.'"

The speaker? Not Mr. Reagan in 1984. It was Mr. Mondale, in the final hours of his vice presidency in January 1981.

Mr. Mondale is unlikely to duplicate that "give-the-president-a-break" theme now. Protesting constraints on the presidency is the lament of incumbents, not challengers. Many other Democrats, however, concede the need to ease up on presidential encumbrances.

The most contentious curb on the presidency is the 1973 War Powers Resolution. A liberal Republican, former Senator Jacob K. Javits of New York, was its prime designer. The current chairman of the House Foreign Affairs Committee, Representative Dante B. Fascell, Democrat of Florida, recalls that he introduced the resolution in the House, but since then, he said, "I think we put too many bandages on the president."

However, the current administration, Mr. Fascell said, must recognize that "Congress is going to be more and more involved, not less" in foreign policy, and the administration cannot "run over it." For Congress, he said, unquestionably reflects persistent public concern about the Reagan administration's confrontation with the United States and what is seen as "dragging the United States into every corner of the world."

Mr. Fascell conceded that the administration frequently outflanks the liberals on its committee and on the Senate Foreign Relations Committee, headed by Charles H. Percy, Republican of Illinois, with resolutions for foreign aid, hurried through the Senate and House appropriations committees. What is lost, Mr. Fascell said, is the work of knowledgeable members that knits policy strands into a coherent pattern.

MANY members feel driven to try to force through broad policy on their own. Senator Sam Nunn, Democrat of Georgia, unsuccessfully tried to compel West European nations to increase defense spending by legislation threatening to cut U.S. troop levels. But, Mr. Nunn said, "the more we move, the less we have to do with the overall direction, the less time we have to set the agenda."

The dilemma expressed on Capitol Hill is that when Congress lays out policy in generalities, the executive branch does end runs around it; when Congress tries to tell the executive precisely what to do, it is vulnerable to the "micro-management" accusation.

Despite administration complaints that it is being throttled by Congress, some specialists are most struck by the inability of Congress to put effective fetters on Mr. Reagan's presidency.

"The most remarkable political story of the first eight months of 1983," wrote L.M. Desler in The Washington Quarterly early this year, was that the administration "managed to win continued support, from a more liberal Congress, for foreign and national security policies

disturbed by the public and significantly to the right of most expert and congressional opinion."

"Presidents don't lose national security issues," said Representative Lee H. Hamilton, Democrat of Indiana, chairman of the House Foreign Affairs subcommittee on Europe and the Middle East. "If the president wants to go to bat on any specific issue, he will win it," he said.

At best, Mr. Hamilton said, Congress can only make an administration slow down and think. Sometimes, he conceded, "we overreach" in details.

For generations Congress was ruled by a few leaders who bargained with the executive and could deliver the votes. In the 1970s, supremacy-by-seniority was shattered by sweeping changes in committee control, while mushrooming staffs brought in specialists often able to challenge witnesses from the executive branch with equal expertise. The greenest freshman in Congress now may be bold enough to take on the secretary of state or defense on Nicaragua or El Salvador.

Economics has rubbed out clear dividing lines between foreign and domestic policy. The farmer in Kansas, the auto worker in Michigan, insists that the Agriculture, State, Commerce, Labor, Treasury and other departments should fulfill constituents' pocketbook interests in the world market.

In a study by the American Enterprise Institute last year called "Both Ends of the Avenue," Norman J. Ornstein noted "a striking expansion in the number, range and activity of interest groups" trying to influence Congress, along with a sharp rise in press interest.

Henry A. Kissinger, in his memoirs on eight years as national security adviser and secretary of state in the Nixon administration and secretary of state in the Ford administration, saw a deeper transformation.

"The liberal Establishment, which throughout the century had extolled the importance of a strong executive, had reversed itself and had pressed on the Congress its obligation to control tightly an alleged power-mad and war-obsessed administration," he wrote.

"That the Congress should play a major role in the conduct of foreign policy was beyond argument," he asserted. "But in the Seventies passion overwhelmed analysis. ... Congress can and ought to scrutinize the consequences of diplomacy. It cannot carry it out."

Not all in Congress agree that Congress should play a major role in foreign policy. Senator John G. Tower, Republican of Texas, chairman of the Senate Armed Services Committee and also of the Senate Republican Policy Committee, wrote in the Journal of Foreign Affairs two years ago that ever since Congress rejected President Woodrow Wilson's World War I Versailles Treaty, congressional intrusion in foreign affairs has been a "disaster."

Mr. Tower said that Congress, by limiting the president's authority to send troops into combat zones by the War Powers Resolution, when emotions were at a peak over the Vietnam War and President Nixon's Watergate excesses, imposed on future presidents "a cure for a non-existent disease."

The chairman of the House Republican Policy Committee, Representative Dick Cheney, Republican of Wyoming, who was a chief of staff for President Ford, said, "My view is that there is far too little trust in the president by the Congress. We elect them; we should allow them to function."

There is a vast spread in congressional outlook. While conceding that the War Powers Resolution might be refined and improved, the Senate majority leader, Howard H. Baker Jr., Republican of Tennessee, said in October in tribute to Mr. Javits: "If there is any one date when this 'modern era' began, it is the day in 1973 when Congress passed the War Powers Resolution and reclaimed its proper constitutional role as a full partner with the president in the field of foreign policy."

Representative Don Edwards, Democrat of California, says that is a myth. With 60 other House members, he asked in early August for stricter limits on the president, whom he asserts is virtually licensed to take the country to war on his own.

## It's Okinawa, It's Japanese, But It's a Town in Bolivia

By Peter McFarren

The Associated Press

OKINAWA, Bolivia — Tokusho Miyagi fought the Russians and Americans in World War II and spent 24 years as a war prisoner in a Siberian coal mine. Now he oversees a 430-acre farm on Bolivia's tropical frontier, half a world away from his Okinawa homeland.

Mr. Miyagi, 63, is one of more than a million Japanese who settled in South America after the war and have become important contributors to the country's agricultural and economic development.

He lives with his family in a comfortable concrete bungalow in a town that is three hours by car from Santa Cruz, Bolivia's second largest city. Beside his home there is a garden filled with Chinese cabbage, a windmill atop a water tank and tractor sheds. "I have no desire to return to Japan," he said recently. "But I still consider myself Japanese."

"I was a prisoner of war in Siberia, and after I returned to Okinawa there was no work," he said. With his son's help, he grows soy, sorghum, wheat and rice. "In Okinawa, 300 families would have what I have here," he said.

AFTER the war, one million Japanese came to South America with relocation expenses and loans from the Japanese and U.S. governments. Most settled in Brazil, while 80,000 went to Peru, 30,000 to Argentina and 10,000 to Bolivia. The settlers in Okinawa introduced rice harvesting, chicken farming and modern agricultural techniques to the area. Okinawa and neighboring San Juan de Yapacani now produce half of Bolivia's poultry and eggs.

Modern tractors, bought on credit from Tokyo, plow the community's 45,000 acres (18,000 hectares) of arable land, which this year produced 97,000 tons of rice, wheat, soy and sugar cane, and 550,000 dozen eggs. A cooperative of Japanese settlers is in charge of marketing the goods.

Once isolated from Santa Cruz by swampy terrain, Okinawa is now linked by a dirt road maintained by the Japanese International Cooperation Assistance program. Two modern hospitals built with Japanese government aid serve the area's 1,600 Japanese and 4,000 Bolivians.

The first few hundred Japanese arrived in Bolivia as far back as 1899 to escape harsh living conditions on the Peruvian plantations to which they had migrated. When the postwar exodus began, the earlier immigrants helped the new arrivals settle.

In 1954 Mr. Miyagi, his wife and five children joined 400 other Okinawans on their way to Bolivia. They were among the pioneer settlers of Okinawa, a rough rain forest once inhabited by native tribes, pumas, wild pigs and alligators. The Bolivian government gave each family 50 hectares of land. The United States provided tractors and other farm equipment.

SETTLING the land proved harder than some could endure. In the first six months, 15 Japanese died in a mysterious epidemic. Many fled to Brazil and Peru, or returned to Japan. Flooding destroyed their first three rice harvests and drought killed cotton planted later.

Kod Yamashiro, former president of the Bolivian Japanese Association, which is at the center of Okinawa's social and political life now, reflected on the country he left behind and a recent visit there. "I saw what life in Japan was really like," he said. "The people are very busy and have no time for pleasure. One has to work hard to maintain a family. I'm content here. At first it was hard, but now I'm used to life in Bolivia."

Most children of the first postwar immigrants consider themselves Bolivian, but maintain close ties with Japan. Kyomi Nakazo, 26, arrived as a toddler in 1959 during a second wave of immigration. She now works as a nurse at the Okinawa hospital and has married a Japanese she met last year while studying in Japan.

"Japan is another world," she said. "I liked it very much. There is more comfort in Japan. But spiritually, I prefer to be here."



**BUSINESS**  
**British**  
**Rose :**

"This economy has gone through a fundamental change in that it needs funds from all over the world," Mr. Gordon said. "That's one of the reasons for high interest rates.

"If interest rates go down, then how do you finance the deficit? The foreign money might become short. And if we can't get that money, then things would slow down considerably more than hoped," Mr. Gordon said.

The U.S. government's latest survey showed businesses plan to spend 13.3 percent more for new plants and equipment than last year, down from the 14.8 percent in the previous study.

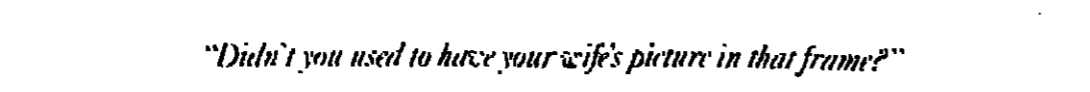
American Agromonics was the most active NYSE-listed issue, up 4% to 2½ following a block trade of 2 million shares at 2.


Financial Corp. of America was second, up ½ to 7. FCA said deposit outflows at its American

Texas Instruments skidded 6½ to 135. The U.S. Defense Department Monday halted acceptance of military equipment costing more

Despite the TI problem, military-related issues were strong. United Technologies gained ¼ to 37%, McDonnell Douglas ¼ to 66, Lockheed ¼ to 44%, Boeing ¾ to 54% and Rockwell International ¼ to 30%.

Applied Magnetics lost 7% to 8%. The company projected a fourth-quarter loss after a \$2.7-million profit a year ago.

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 For our 1983 Annual Report, write:  
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[illegible][illegible]

## BUSINESS ROUNDUP

## British Aerospace Profit Rose 54% in First Half

LONDON — British Aerospace PLC reported Tuesday a 54-percent rise in first-half pretax profit to £56.3 million (\$71.6 million). It said it was confident of maintaining strong growth for the rest of this year, given a continuation of present market conditions.

Steps taken in recent years to match group resources with expected sales are beginning to take effect and will help increasingly over the near term, the company said.

The company said it was seeing a

modest but important upturn in the civil-aviation market, particularly for smaller planes with up to 100 seats.

British Aerospace said there was continued worldwide airline interest in its new BAe 146 short-haul jetliner after initial sales in California and Australia.

Its Jetstream 31 commuter aircraft was selling well, with the production rate rising, while a new business jet, the BAe 125-800, has received British and U.S. certification and 21 orders.

The Tornado fighter program is attracting considerable overseas interest, the company added. Also, talks to establish a program for a European fighter aircraft are continuing with European governments and industrial partners.

The new Hawk single-seater strike aircraft is due for its first flight in 1986.

## Belgian Interest Rates Cut

BRUSSELS — The Belgian central bank said Tuesday that it cut interest rates on one-, two- and three-month treasury certificates to 11.25 percent from 11.30 percent, effective immediately. Interest rates were last cut from 11.45 percent.

## Pharmacia to Set Up U.S. Development Unit

STOCKHOLM — Pharmacia AB said Tuesday that it plans to establish a development company in the United States that will acquire stakes in small high-technology companies and enter cooperation agreements in the same area.

The new concern, Pharmacia Development Co., is being set up to respond to offers of cooperation from companies in biotechnology, medicines and diagnostic techniques that Pharmacia has received as it expands in the United States, it said.

## 2 French Makers Of Vaccines Agree to Merge

United Press International

PARIS — Two of France's biggest pharmaceutical companies have agreed to merge to become the world's second-biggest producer of vaccines, the companies said Tuesday.

Institut Pasteur Production agreed to "join interests" with Institut Mérieux to produce serums, vaccines and diagnostic products. The largest is the American company Merck.

Pasteur is 51-percent owned by the Sanofi group and 49-percent owned by the Pasteur Institute of Research. It will continue, under the agreement, to provide research on new products as well as production of diagnostic products for use in pregnancy and disease-detection tests.

Mérieux, 51-percent owned by the chemicals conglomerate Rhône-Poulenc SA, will continue to take the lead in making and marketing serums and vaccines.

Mérieux, with twice the revenue of Pasteur at 800 million francs (\$87 million) a year, will allow the Pasteur staff "freedom of research," Rhône-Poulenc said in a prepared statement. The move would give France a stronger role in the growing market for vaccines.

## Trafalgar House Sells 7.08% Stake In P&amp;O to Sterling Guarantee Trust

By Lynne Curry  
International Herald Tribune

LONDON — Trafalgar House PLC said Tuesday that it had sold its 7.08-percent stake in Peninsular & Oriental Steam Navigation Co. for just over £30 million (\$38 million) to Sterling Guarantee Trust Ltd.

Trafalgar House, the British shipping and construction company, held 10.1 million shares of P&O and sold the shares for 307 pence apiece.

In response to the transaction, P&O shares fell to close at 296 pence from 305 pence at the opening of the London Stock Exchange. Trafalgar's shares rose to close at 274 pence from the opening price of 267 pence.

P&O's share price fell because the transaction removed the uncertainty that there might be a high bid for the company, while Trafalgar made a £13.5-million profit on the transaction, said Richard Hannah, an analyst at the stockbrokerage Phillips & Drew.

Trafalgar sold its stake because P&O's share price has risen much higher than when Trafalgar first launched its bid for the shipping and construction group in May 1983, according to a Trafalgar spokesman. The company has expanded in other areas, he added.

including the acquisition of Britain's Scott Lithgow shipyard.

Trafalgar said it had invited P&O to hold talks on cargo and passenger shipping collaboration between the two companies. Although no agenda has been set, Trafalgar said discussions between the two could lead to a possible integration of some of their shipping operations to save costs in areas like maintenance.

Jeffrey Sterling, chairman of both Sterling Guarantee and P&O, said he was "positively inclined" toward such discussions, but wanted to allow "the dust to settle" before holding the talks between P&O and Trafalgar.

Trafalgar has been free to pursue its bid for P&O since midyear when the Monopolies and Mergers Commission ruled that the merger was not against public interest and could proceed.

Trafalgar originally attempted to buy the shares when P&O was valued at about £300 million and offered 110 to 150 pence a share. P&O is now valued at about £420 million. Analysts said P&O's assets were undervalued and the attraction at that time was P&O's cruise-ship operation and its construction and property interests.

P&O fought the bid, however, by making Jeffrey Sterling chairman of P&O and selling off some of the

group's cargo ships, its property and oil interests, and reducing the company's debt, according to Mr. Hannah.

Sterling Guarantee holds about 15 percent of P&O, a stake valued at about £64 million. Sterling Guarantee was formerly known as Town & City Properties PLC.

Analysts said there was speculation that P&O may attempt to take over Sterling Guarantee by doing a share swap and offering cash.

## Malaysia to Set Commodities Fine

Reuters

KUALA LUMPUR, Malaysia — Malaysia will make it an offense for anyone to "manipulate or corner" the palm-oil or rubber futures markets on the Kuala Lumpur Commodity Exchange, the minister for primary industries, Paul Leong, said Tuesday.

Amendments will be made soon to the Commodities Trading Act of 1980, he said.

"The amendments will make manipulation or cornering an offense, and any person so convicted will be liable to a fine not exceeding 100,000 ringgit (\$42,100), or to a term of imprisonment not exceeding five years, or to both," Mr. Leong said at a press conference.

## COMPANY NOTES

British Land PLC's subsidiary, British Land Co. (Holdings) Australia Ltd., has sold its 24.5-percent stake in Postland Property Trust to the remaining co-owners for more than 16 million Australian dollars (\$13 million). The co-owners are the Australian Post Office Staff Superannuation Fund and Cra Ltd.'s Staff Provident Fund.

Cadbury Schweppes PLC planned to complete in New York on Tuesday an offering of 60 million ordinary shares at \$17 per American Depositary Receipt, with each ADR representing 10 shares.

Eastern Airlines will offer an unrestricted \$99 one-way fare between the three New York metropolitan airports and five Florida cities beginning Wednesday on midweek days, Monday through Thursday. Fares will last through Dec. 13.

Fried Krupp GmbH said its Krupp Industrietechnik GmbH and Krupp Stahltechnik GmbH subsidiaries won a contract from Nippon Iwai Corp. of Japan to supply a continuous casting plant for high-grade steel bloom to the Aichi

Steel Works in Nagoya. The value of the contract was not revealed.

John Fairfax Ltd., a media group, said it will raise 96 million Australian dollars (\$79 million) to strengthen its capital base by a rights issue of 24 million 50-cent nominal cumulative participating preference shares at 4 dollars each.

Laporte Industries (Holdings) PLC, a British chemical maker, has acquired two foreign electronic-supply companies for a total of £2.34 million (\$2.98 million). The companies are Exsil Inc., a U.S. company specializing in reprocessing silicon wafers, and a French company, Soprelec SA, a producer of specialized electronics chemicals and equipment.

Nabisco Brands Inc. has agreed to pay \$60 million in cash for a 20 percent interest in the cable sports network ESPN, the network's parent, ABC Video Enterprises Inc., said. Don Ohlmeyer and John Martin, chairman and president, respectively, of Ohlmeyer Communications Cos., will represent Nabisco on the ESPN board of directors, ABC Video Enterprises,

a subsidiary of American Broadcasting Cos., said.

Nutri-System Inc., which operates more than 700 weight-loss centers in the United States and executive placement offices in three countries, is to be purchased by an investor group for about \$87 million if the company closes its money-losing Gloria Marshall figure salons, company officials said.

Sime Darby Bhd. said it has agreed on the proposed merger of its subsidiary, United Malayan Insurance Co., UMI and East West Insurance Bhd., subject to approval of the relevant authorities. The enlarged company, expected to produce a premium income in excess of 70 million ringgit (\$30 million), would be one of the largest insurance companies in Malaysia.

Soo Line Railroad's \$570.6-million bid for the financially troubled Milwaukee Road won unanimous recommendation for approval from the Interstate Commerce Commission. The ICC's recommendation goes to a federal court in Chicago overseeing the Milwaukee Road's reorganization.

## TRANSPACIFIC FUND

Société Anonyme  
14, rue Aldringen - Luxembourg  
Registered office: Section 8 8576

## NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The quorum required by law not having been reached at the first Extraordinary General Meeting of Shareholders held on July 31st, 1984, the shareholders are invited to attend a

## SECOND EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

to be held on September 27th, 1984 at 11.00 o'clock at the registered office of the Fund 14, rue Aldringen, Luxembourg with the following agenda:

1. Modification of the statutes to put them in agreement with the law of August 25th 1983, including, but without limitation, the following points:
  - Article 3 — Cancellation in this article of all references to the law of July 31st 1929 and to make reference in this text to the law of August 25th 1983 concerning mutual funds.
  - Article 6 — 2nd paragraph. The following text should be added to this article "the subscription price for the shares is to be paid in favor of the company within seven working days as of the date of calculation of the applied intrinsic value".
  - Article 16 — Modification of the rate of the repurchase charge to be set at a maximum of 1%.
  - Article 18 — 1st paragraph. To add to this article the following text: "Proceeds of shares redeemed will be paid within seven working days as of the date of calculation of the applied intrinsic value or seven working days after receipt of certificates of shares repurchased".
  - Article 24 — Cancellation in this article of all references to the law of July 31st 1929.
2. Modification of article 18 to indicate that the net asset value per share of the company will be determined, by the company, at the closing of offices in Luxembourg the third open day of the week.
3. Modification of article 21 - 2nd paragraph, should read as follows: "Dividend distribution will be decided upon by the shareholders at their ordinary meeting".

## Transpac Fund

4. Renewal of the authorization to increase shareholder's capital for a new period of five years within the limits of authorized capital.

The shareholders are hereby informed that this second Extraordinary Meeting of shareholders shall validly vote on the points of the agenda no matter what portion the share capital of the Corporation will be present or represented.

In accordance with Luxembourg law, resolutions will be subject to a majority of 2/3 of the shares represented at the meeting, provided however, that at this second meeting, shares not represented will (in a number not exceeding 1/3 of the total number of the outstanding shares) be deemed to vote for the resolutions proposed above, and provided further that in such latter case the resolutions must be voted by the majority of the shares represented at the meeting.

To attend the Extraordinary General Meeting of Shareholders of 27th September 1984, owners of registered shares should have their names recorded in the company's register of shareholders five working days prior to the Meeting and owners of bearer shares deposit their shares at least five working days prior to the Meeting with one of the following banks:

Banque de Neufville, Schlumberger, Mallet, 3, avenue Roche, Paris 8e  
Algemene Bank Nederland N.V., 32 Vijzelstraat, Amsterdam  
Bank Mees & Hope N.V., 548 Herengracht, Amsterdam  
Banque Générale de Luxembourg S.A., 14, rue Aldringen, Luxembourg  
Société Bancaire Barclays (Suiss) S.A., 2, boulevard du Théâtre, Genève

## THE BOARD OF DIRECTORS

## IBM-Apple Rivalry Is Expected to Heat Up

By Eric N. Berg  
New York Times Service

NEW YORK — International Business Machines Corp. and Apple Computer Inc. have announced major improvements for their personal computers. Industry analysts said the improvements would heighten the competition between the two companies in the low-cost, desktop computer market.

"Anytime these two companies change their personal computers, particularly in graphics, you see the competition pick up," said Sanford J. Garrett, a technology analyst at Paine Webber Inc.

IBM's introductions included two graphics screens for its Personal Computer, along with circuit boards to control the screens.

Although the more advanced screen and board will together cost \$4,000 — more than an entire PC IBM, based in Armonk, New York, said the new equipment would enable engineers and other scientists to do detailed graphics in vivid colors.

Apple, based in Cupertino, Cali-

fornia, introduced a version of its Macintosh personal computer that, with a suggested retail price of \$3,195, will feature 512 kilobytes of internal memory — four times the 128-kilobyte memory on the existing Macintosh. A byte is the smallest addressable unit of data storage in a computer. A kilobyte is 1,000 bytes.

Apple also said it was cutting the price on the existing machine to \$2,195, from \$2,495, and would begin selling a \$995 kit to enable current Macintosh owners to upgrade their machines to 512 kilobytes of memory.

Apple had been expected to introduce an enhanced version of Macintosh this January, but the company said it accelerated its timetable when it was able to secure a large number of 256-kilobyte memory chips from Japan.

Apple said its new products would be available immediately. IBM's equipment will begin to be sold at various times this autumn.

Although Apple and IBM have succeeded in different markets with

their personal computers — Apple has sold mostly to homes, schools and technical personnel, while IBM controls the business market — Monday's announcements seemed to show that both corporations are now trying to woo the other's customers.

Now that Macintosh's memory has been quadrupled, analysts said, a number of new business programs, including one by Lotus Development Corp., will be written for it. They also noted that the machine's word-processing capabilities had been increased.

Macintosh is already a hit among scientists and other technical people, who like the machine's advanced graphics. With the new refinements, the Macintosh may get a fresh look from corporate buyers of computers.

"It definitely makes me more interested in the machine, and I suspect others would feel the same," said Russell S. Hensel, manager of personal computing at Arthur D. Little Inc., a Boston-based consulting company.

Germany's VEBA Group achieved substantially improved overall results during financial year 1983. This was largely the outcome of positive developments in petroleum and chemicals — formerly problem sectors — as well as a further growth of earnings in electricity and

which were financed entirely from internal sources, grew by DM 200 million to approximately DM 2.9 billion.

This positive trend has continued into the current financial year. Electrical power generation and supply, which grew by 12.6% during the first six months of 1984, remains the Group's most important sector.

PREUSSENELEKTRA's share of nuclear power rose from approximately 40% in 1983 to more than 54% this year. This has made it possible to maintain stable prices during 1984. Overall results for the electricity sector are expected to rise again during the current year.

The petroleum sector has managed to significantly reduce both risks and

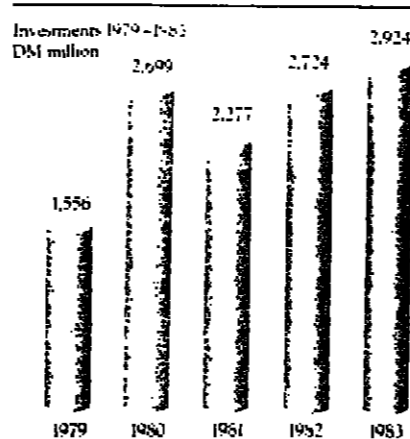
The trading and transportation activities of the VEBA Group, STINNES and RAAB KARCHER, have had good and stable results for a number of years — a situation which should continue into 1984 as well.

Thanks to successes in all sectors of the organization, overall sales of the VEBA Group increased by more than 5% to approximately DM 25 billion during the first six months of 1984. The Group's net income improved from DM 149 million during the first half of 1983 to DM 221 million during the same period of 1984. Assuming that the overall business upturn continues, it is likely that the Group's performance will improve in 1984 as a whole, which could result in a higher dividend.

# VEBA

## Strengthened Financial Resources

trading. The resulting financial resources have made it possible to strengthen and restructure the organization. Although Group outside sales declined somewhat to approximately DM 49 billion, net profit increased by DM 33 million, reaching DM 372 million. The Group's improved earning power is reflected in the figure for earnings per share, which rose from DM 9.20 in 1982 to DM 13.50 in 1983. Investments,



VEBA in the First Six Months of 1984 <sup>1)</sup>			
Group outside sales	(DM million)	24,886	(+ 5.3%)
Production	(DM million)	15,429	(+ 7.4%)
Services	(DM million)	9,457	(+ 2.1%)
Electricity output	(million kWh)	33,621	(+ 12.6%)
Natural gas production	(million kWh)	2,007	(- 1.4%)
Crude oil production	(1,000 tons)	855	(- 4.3%)
Crude oil processed	(1,000 tons)	3,464	(+ 7.6%)
Group net income	(DM million)	221	(+ 48.3%)
Capital expenditure	(DM million)	848	(- 17.3%)
Total staff (as of June 30, 1984) <sup>2)</sup>		76,036	(- 1.5%)

<sup>1)</sup> preliminary <sup>2)</sup> compared with December 31, 1983

losses. During the first half of the year, VEBA OEL achieved on balance positive results. This sector is expected to report a further improvement for the whole of 1984.

In chemicals, the continuing business upturn has resulted in greater utilization of production capacity and led to 11.4% higher sales. The results for 1984 are anticipated to improve substantially over 1983 and dividend payments are expected to be resumed.

To find out more about VEBA, its operations and performance, please get in touch with VEBA AG, Karl-Arnold-Platz 3, D-4000 Düsseldorf 30, West Germany.

**VEBA**  
Energy is our business

هكذا من الأصل



## Delay Seen On Bonds

(Continued from Page 9)

Steps in for a mid surprise when it comes to the market.

This is because the major financial institutions already have a portfolio of Treasury securities. These institutions were never impacted by the 30-percent withholding tax on interest payments and the mid-July report of this tax of 30 percent.

The one group of institutions likely to be affected by the tax repeal are pension funds, whose domestic tax-free status made them unable to benefit from the double-taxation agreements the United States has with most countries. These institutions previously were not able to recapture the 30-percent tax withheld in the United States and only now can buy U.S. government securities free of tax.

Experts estimate these institutions may sit on assets valued as high as \$40 billion, but only a fraction of that, and certainly not more than 20 percent, it is thought, is likely to be committed to buying U.S. government paper.

The big uncertainty is what the tax repeal will mean to private investors and here the doubt centers on the fact that the Treasury securities will be registered issues rather than the anonymous bearer bonds these investors prefer.

Although the securities are to be registered, the Treasury has said it will not seek the names of the holders but will be satisfied with a statement from foreign banks which buy the paper that it is not being held for clients who are U.S. citizens or residents.

Foreign branches of U.S. banks, however, must have on file affidavits showing that their clients for such issues are not American—a requirement that U.S. banks cannot put them at a competitive disadvantage.

The Treasury will insist on receiving assurances about the nationality of the beneficial owner of its securities on every coupon payment date as well as before returning the principal at final maturity.

Analysts question whether foreign banks and their private clients will accept this.

## U.S. Companies Continue Rush to Issue Eurobonds

By Carl Gewirtz

International Herald Tribune

PARIS—The rush by U.S. companies to raise relatively low-cost money in the Eurobond market continued unabated Tuesday as Coca-Cola, Ford, Merrill Lynch and McDonald's announced new issues.

Coca-Cola Co., a triple-A-rated borrower, is issuing \$100 million of seven-year bonds carrying a coupon of 11 1/2 percent. The subscription price was set at a slight discount of 99 1/4.

Including this discount and the commissions of 1 1/2 percent paid to market the paper, the cost to Coca-Cola amounts to 12.22 percent—about 1/4 point below what comparably dated U.S. Treasury issues were yielding in New York. This means that Coke, which would be expected to pay about a quarter-point more than the U.S. government to borrow in New York, saved about 1 percentage point by tapping the Eurobond market.

Dealers reported the issue was well received and said the paper was trading at about 1/4 points below the offering price, at 98 1/4.

Ford Motor Co.'s seven-year issue carries a coupon of 12 1/2 percent and was offered at a discount of 99 1/4. This, plus commissions of 1 1/2 percent, means the automaker is paying 13.39 percent for its \$100 million—about a quarter-point more expensive than comparably dated Treasury paper and a saving of about 1/4 percent over what it would have had to pay to raise

money in New York, bankers estimate.

Although the coupon is higher and the subscription price lower than that on the Coke issue, Ford's paper was also quoted at a discount of 1 1/4 points and dealers said it was moving slowly.

The least well received was the \$100-million, five-year issue from Merrill Lynch, which was priced at par bearing a coupon of 12 1/4 percent. Including the commissions it paid of 1 1/2 percent, its cost of money was 13.29 percent, about 1/4 point over comparably dated Treasury paper and a saving of about 1/4 point over what it would have had to pay to raise the money in New York.

However, Merrill's paper was quoted at a sharp discount of 2 points.

Reflecting the market's preference for short-dated paper, the \$75-million issue for McDonald's Corp.—priced at par bearing a coupon of 12 1/4 percent—got a relatively good response. The final maturity of this issue is Oct. 15, 1996, but every three years borrowers can request to be repaid or the issuer can call it in.

As a result, it is regarded as a three-year piece of paper and traded at a discount of 1 1/4 points.

On a three-year basis and with commissions totaling 1 1/2 percent, the cost of money to McDonald's was 12.83 percent—representing a saving of just over 1/4 percentage point compared with what it would have been expected to pay in New York.

## BUSINESS PEOPLE

### Danish Bank Seeks Office In Stockholm

Copenhagen Handelsbank has applied to open a representative office in Stockholm, which it hopes to begin operating before the end of the year. It would be the bank's first Scandinavian office outside Denmark.

If Swedish authorities approve the application, Alex Hansen would become the bank's representative. He is currently senior manager in charge of customer relations in the international division in Copenhagen.

The bank has opened overseas offices in Los Angeles, London and Singapore.

Banque Nationale de Paris Group has appointed Pierre Vermeulen chief executive of BNP branches in Holland. Mr. Vermeulen succeeds Marc Mayer in the Amsterdam office. Mr. Vermeulen was general manager of the BNP PLC, a subsidiary of the BNP Group, in London.

Morgan Guaranty Trust Co. of New York has appointed Antonio Aparicio Alonso vice president of the General Banking and Credit Division in Madrid. He succeeds Steven J. Sauer who has moved to the Banking Division in New York. Mr. Aparicio had been vice president of the bank's corporate account and government division, also in Madrid.

The bank has appointed Peter F.

Culver vice president and deputy general manager of Euro-clear System Clearance PLC in Brussels. Mr. Culver had been in charge of the banking division of Morgan's Tokyo office. Euro-clear provides a clearing system for internationally traded bonds and securities. Euro-clear is owned by 120 international financial institutions and is managed by Morgan Guaranty. The volume of securities cleared through the system last year was \$604 billion, up from \$509 billion in 1982.

Midland Bank has appointed Frank Fitzpatrick head of planning and control in the Group Finance Division beginning in October. He is presently finance director of British Leyland Ltd. and is the manager of the recent sale of shares in Jaguar Cars that turned the subsidiary over to the private sector.

Mobil Oil Corp. has appointed Georges Racine general manager of Mobil Oil South Africa Ltd. beginning in January 1985. He is currently chairman of the board of Mobil Oil France in Paris. He will be based in Capetown and succeeds P.W. Wilson.

Chase Manhattan Ltd., the merchant bank of Chase Manhattan NA, has appointed Eric M. Grandi and Mats E. Jonsson associate directors in Zurich. They will be responsible for international securities business in Switzerland and will be based at the Chase Manhattan Bank (Switzerland) Ltd. Mr. Grandi was formerly with McLeod Young & Weir International Ltd., a Canadian investment bank, in Zurich. Mr. Jonsson previously worked for the Banco Exterior de Espana in Zurich.

Claridge's, the hotel subsidiary of the Savoy Co., has appointed Ronald Jones general manager in London beginning at the end of the year. Formerly with the Athenaeum Hotel in London, he succeeds Borge Lund Hansen, who is retiring. Michael Bentley will become manager.

Barclays Merchant Bank has appointed Lord Camoys executive vice chairman beginning Oct. 1. He is presently managing director of Barclays Merchant Bank. He will be succeeded by Oliver Stocken, who is managing director of Barclays Merchant Bank in Australia.

Foster Wheeler International Corp., an engineering, manufacturing and construction company, has appointed Max R. Colombare vice president of Foster Wheeler Middle East Services Inc., a wholly owned subsidiary. He will move to Riyadh from Milan, where he was area sales manager for the Middle East. He will replace Paul Munao, who is returning to the United States to work at Foster's headquarters in New Jersey.

Lloyds International Ltd., the merchant bank of Lloyds Bank International, has appointed Tom Clark executive director in Australia. He will be based in Sydney beginning in October. He is currently senior manager, Industry Services, Merchant Banking Division at Lloyds Bank International in London and chief executive of Lloyds International Leasing Ltd.

—LYNNE CURRY in London

Gold Options (prices in \$/oz.)				
From	To	Feb.	Mar.	Apr.
30	140.14/50	140.25/30	140.35/40	140.45/50
30	140.14/50	140.25/30	140.35/40	140.45/50
30	140.14/50	140.25/30	140.35/40	140.45/50
30	140.14/50	140.25/30	140.35/40	140.45/50
30	140.14/50	140.25/30	140.35/40	140.45/50

Valcom White Weld S.A.  
1211 Geneva 1, Switzerland  
Tel. 31 61 21 - Telex 28 305

Net Asset Value  
on Sept. 6, 1984  
Pacific Selection fund N.V.  
U.S.\$1.24 per U.S.\$1 unit.  
Pacific Selection  
Fund N.V.

NEW METHOD  
AVAILABLE FOR  
FINANCING  
Now able to supply Capital where both principal and interest are covered in a self-liquidating loan. Good credit important part of transaction.  
BROKERS PROTECTED  
VENTURE CAPITAL  
CONSULTANTS  
Investment Bankers  
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## Soviet Grain Purchases Come at Good Time for U.S.

(Continued from Page 9)

more than 10 million metric tons of corn and wheat in their biggest summer buying spree since 1972.

Analysts believe that the purchases have assured that grain prices will hold firm even if there is a bountiful crop. And if, as now seems likely, the United States harvest falls short of lively early expectations, the Soviet purchases could help push corn prices up.

Because of ample supplies, the price of hard red winter probably

will not rise, but the Soviet buying will help steady the price at about \$3.90 a bushel.

While most grain purchases are tracked from July 1 to June 30, the five-year grain agreement signed with the Russians last year runs on an October-to-September calendar. For the year ending Sept. 30, the Russians have already bought 14.3 million tons of corn and wheat, and they have already contracted for 8.3 million tons in the next year, most of it corn.

Under the terms of the 1983 pact, the Soviet Union must buy at least 9 million tons of grain a year and is permitted to buy as much as 12 million metric tons. The Reagan administration earlier waived the ceiling for the current year and was expected to waive the ceiling after a consultation with the Russians scheduled for Nov. 20.

On Tuesday, the president offered to raise next year's ceiling to 22 million tons, the Associated Press reported from Washington. Mr. Malish said the meeting was postponed from October to November at Soviet request, presumably with the U.S. election in mind.

Based on estimates of Soviet crops and their eager advance purchases, forecasts of total purchases in the grain-buying year that will begin next month range from 15 million to upwards of 20 million

metric tons, with most analysts closer to the more optimistic figure.

Economists differ on how much of a financial windfall the Soviet purchases will bring to U.S. farmers. In large part that depends on how much farmers have to sell, which is the basic determinant of prices. The last official harvest forecast, issued by the Agriculture Department last month, predicted a bumper crop of 7.7 billion bushels of corn and the third largest wheat harvest in history. But bad August weather has made those forecasts look somewhat optimistic.

"We were looking at our biggest corn crop we'd ever had back in the middle of July," said Morris Johnson, who farms 400 acres (160 hectares) south of Moline, Illinois. "Then it stopped raining."

Mr. Kovacs of the Farm Bureau Federation predicted that if there is no dramatic change in the situation, Soviet purchases could add 15 cents to the price of a bushel of corn, which has been a bit above the \$2.55 low level set by the government lending program that advances money for the planting season.

This is not a radical price increase—and is not expected to inflate domestic prices enough to include the consumer resentment that resulted from the large Soviet purchases in 1972—but it would

mean an extra \$1 billion in the pockets of corn growers this year.

"From the corn producers' point of view, the Soviets could not have come in at a better time," said Mr. Kovacs. "This is when you normally have weaker prices from the old year running out, and everybody waiting to see the new crop."

John Schmittner, a former undersecretary of agriculture who runs an economic-consulting service in Washington, said he believed the rescue of the farmer had been overstated.

"The reports that the Soviets have salvaged the farm economy are misinformed," said Mr. Schmittner. He pointed out that prices have remained low so far.

Moreover, even the most optimistic forecasts of Soviet buying call for the United States to end up with some corn surplus, which would act as a cushion against major price increases. That is especially true of wheat, with a big harvest of winter wheat completed a few weeks ago and surpluses from last year still sitting in silos.

"It amounts to some money, but it doesn't really do anything important for the farmers, the machinery dealers or the other suppliers," Mr. Schmittner said.

"I won't say the farmers are going to be jumping up and down for joy," said Scott Millman, an analyst for Cargill Investor Service.

## ADVERTISEMENT—INTERNATIONAL FUNDS

Quotations Supplied by Funds Listed

11 September 1984

The net asset value quotations shown below are supplied by the Funds listed with the permission of some funds whose shares are based on these prices. The following are not intended to be a complete list of all funds available for sale in the U.S.

—Daily (d)—Weekly (w)—Monthly (m)—Quarterly (q)—Semi-annually (s)—Annually (a)—Other (o)

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## NOVA

NOVA is a major, investor-owned Canadian energy company operating through five business sectors: Gas Transportation & Marketing, Petrochemicals, Manufacturing and Consulting & Research.

The Company reported progress at mid-year 1984 in the following respects:

- earnings per common share from normal operations are growing, compared to the first half of 1983;

- earnings projection calculations for common shares are encouraging for further growth, when a continuation of present commodity price levels is assumed;

- long term consolidated debt has been greatly reduced and a worthwhile extraordinary gain recorded, increasing equity;

- debt is being converted in part to fixed rate term loans with some at low interest rates in foreign denominations.

Among developments in operations during the first half was the commencement of start-up of two world-scale petrochemical plants at Joffre, Alberta, both of which were completed ahead of schedule and under budget.

These plants, managed by Novacore Chemicals Ltd. (NOVA owned), build on the position which NOVA has achieved in the petrochemical industry. Product from the new ethylene plant—which brings site capacity to 2.7 billion pounds per year and makes NOVA the largest Canadian producer—is contracted to buyers under cost-of-service, take-or-pay agreements. The linear low-density polyethylene produced by the second new plant is destined mainly for export markets, where sales are subject to the full risk and reward opportunities offered by market conditions.

NOVA's additional petrochemical activities include the production of polyvinyl chloride and methanol and involvement in the operation of natural gas liquids extraction, product pipelines and storage facilities.

NOVA is a widely held public company with shares trading actively on the Toronto, Montreal and Alberta stock exchanges. Copies of annual and interim reports are available from the investor relations manager at the head office address below or from the Company's Paying Agent: Bank of Montreal, 9 Queen Victoria Street, London, England EC4N 4XN.

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**Tables include the nationwide price up to the closing on Wall Street**

[illegible]**NASDAQ National Market Prices:**[illegible]

**Sept. 11**

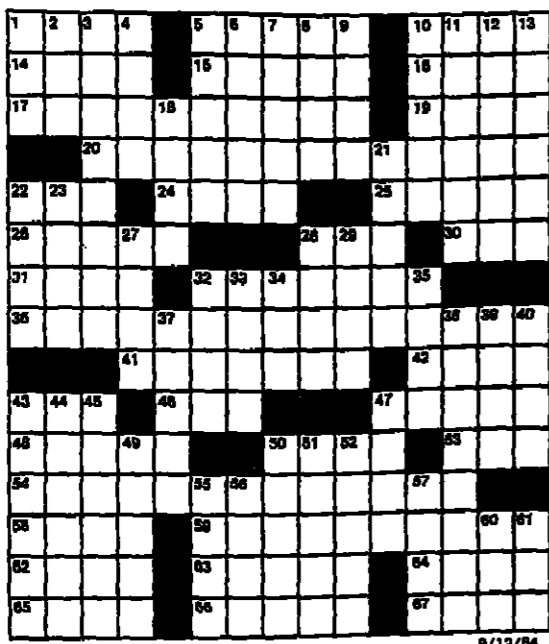
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Barnwell Ind Moulding	CrystalOil PRD/Main	Heldor Telecomart	Martinelec UnCoasFin
Net	Sales In		Net

Rose 10.5% in Japan  
Reuters

**TOKYO** — Private-sector machinery orders, excluding taxes, rose 16.3 percent in July to 61 billion yen (\$2.7 billion), seasonally adjusted, from 568.61 billion yen in June, Japan's Economic Planning Agency said Tuesday.

Unadjusted, July orders were 29.9 percent from a year earlier after a year-to-year decline of 1.4 percent from June, it said.





**ACROSS**

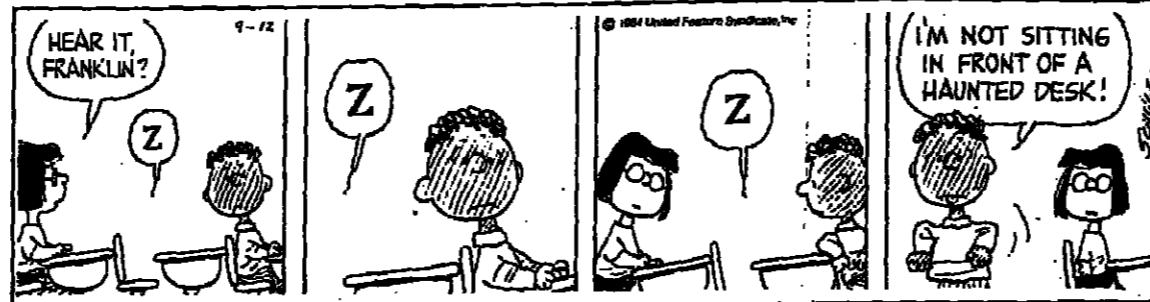
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4 It's after theta  
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8 Flat  
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10 Gumshoe  
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18 Showy plant  
19 Political play  
20 Satellite's path  
21 Wise to  
22 He judged  
23 Israel 40 years  
24 Yeses  
25 Banquet  
26 Fraternal  
27 Refrain duo  
28 Cote sound  
29 Political issue  
30 "And there shall come forth..."  
31 Make uniform by blending

**DOWN**

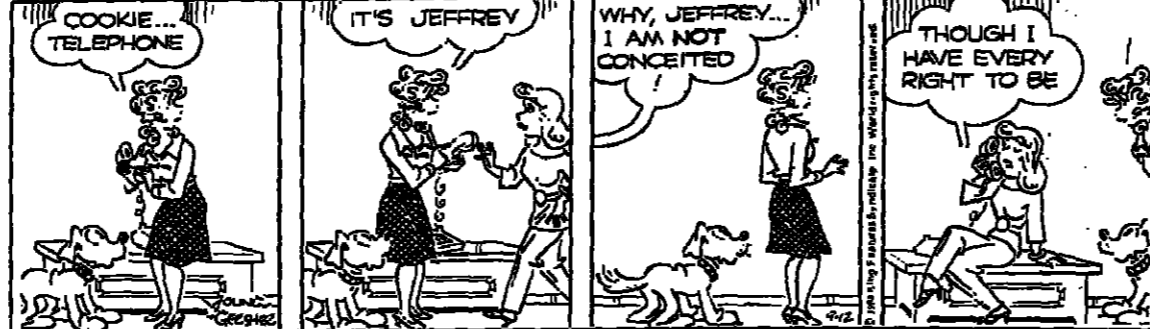
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17 Major  
18 Whoop-de-dos  
19 Like a  
20 missile's guidance system  
21 "L.L."  
22 Proportion  
23 Lubricant component  
24 Kazan  
25 Cool or Coral  
26 Dandies  
27 As regards  
28 Debraud  
29 Auspices  
30 Economist's  
31 Sand, to Chopin  
32 Book by Admiral Byrd  
33 Slothful  
34 Feasible  
35 Within: Comb. form  
36 Make a levee  
37 Boy in "Little Women"  
38 "When Day  
39 "1926  
40 song  
41 Confront  
42 Poet Nash  
43 Defective  
44 Ahead, at sea  
45 Furry hybrid  
46 "The Night  
47 Paunched  
48 America"  
49 Major  
50 Meyerbeer  
51 character  
52 ul-Haq  
53 Pakistan's president  
54 Building addition

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## PEANUTS



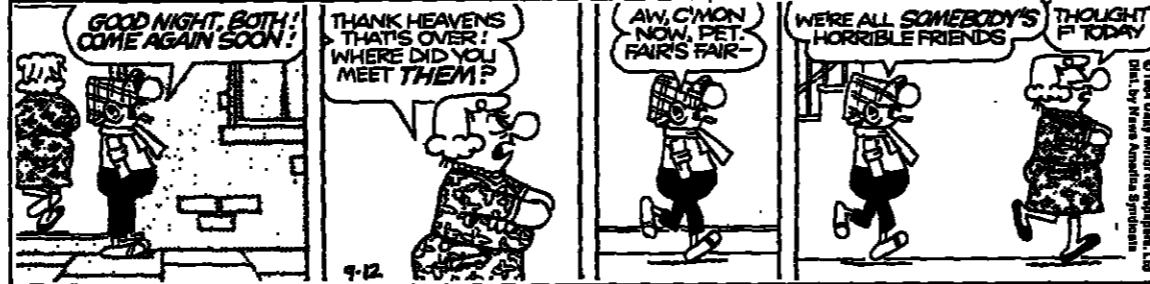
## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD OF ID



## REX MORGAN



## GARFIELD



## DENNIS THE MENACE



## JUMBLE



## WEATHER

LAYMIN

SEPPON

ANSWER IN "THE

WHERE YOU  
MIGHT FIND  
THE SCHOOLMASTER.

Now arrange the colored letters to  
form the surprise answer, as sug-  
gested by the above cartoon.

(Answers tomorrow)

Yesterday's Fraud Tawny Hourly Lavish  
Answer What he often teaches gives him an "F"  
on the vocabulary test—WORDS FALL APART

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	26	18	Bangkok	21	14
Amsterdam	26	18	Beijing	21	14
Antwerp	24	16	Hong Kong	21	14
Batavia	24	16	Manila	21	14
Bombay	24	16	New Delhi	21	14
Buenos Aires	24	16	Singapore	21	14
Calcutta	24	16	Shanghai	21	14
Canton	24	16	Tientsin	21	14
Cebu	24	16	Tokyo	21	14
Colon	24	16			
Hankow	24	16			
Hong Kong	24	16			
Kobe	24	16			
London	24	16			
Lyons	24	16			
Manila	24	16			
Medan	24	16			
Penang	24	16			
Peking	24	16			
Rangoon	24	16			
San Francisco	24	16			
Shanghai	24	16			
Singapore	24	16			
Sourabaya	24	16			
Tientsin	24	16			
Yokohama	24	16			

AFRICA	HIGH	LOW	LATIN AMERICA	HIGH	LOW
Algeria	26	18	Buenos Aires	24	16
Amsterdam	26	18	Colon	24	16
Antwerp	24	16	Medan	24	16
Batavia	24	16	Penang	24	16
Bombay	24	16	Peking	24	16
Canton	24	16	Rangoon	24	16
Cebu	24	16	Singapore	24	16
Colon	24	16	Sourabaya	24	16
Hankow	24	16	Tientsin	24	16
Hong Kong	24	16	Yokohama	24	16
Kobe	24	16			
London	24	16			
Lyons	24	16			
Manila	24	16			
Medan	24	16			
Penang	24	16			
Peking	24	16			
Rangoon	24	16			
Singapore	24	16			
Sourabaya	24	16			
Tientsin	24	16			
Yokohama	24	16			

MIDDLE EAST	HIGH	LOW	ASIA	HIGH	LOW
Algeria	26	18	Bangkok	21	14
Amsterdam	26	18	Beijing	21	14
Antwerp	24	16	Hong Kong	21	14
Batavia	24	16	Manila	21	14
Bombay	24	16	New Delhi	21	14
Canton	24	16	Singapore	21	14
Cebu	24	16	Shanghai	21	14
Colon	24	16	Tientsin	21	14
Hankow	24	16	Tokyo	21	14
Hong Kong	24	16			
Kobe	24	16			
London	24	16			
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Peking	24	16			
Rangoon	24	16			
Singapore	24	16			
Sourabaya	24	16			
Tientsin	24	16			
Yokohama	24	16			



## OBSERVER

## Jelly Beans and Morality

By Russell Baker

NEW YORK — While President Reagan tours the country with his Pious Pete number, all about his passion for prayer and high-collared morality, the moral rot in America's candy stores proceeds at a disgusting pace.

Once, you could send your innocent babies off to the candy store to buy some chewing wax, a Baby Ruth bar, the new Batman comic book and a kazoo and be secure in the knowledge that good Mrs. Chesley behind the counter would bust their little knuckles if they tried to buy a copy of The Racing Form.

Not anymore. Now good Mrs. Chesley has turned her shop into a gambling hall where she greets the traffic with a leer that says, "Hello, sucker," and has to keep kicking the kids out of her way so the lottery players can get their bets down.

Before the country went to the dogs, the candy store was in the numbers racket. Now, though, with so many states having legalized it on the racks and legitimized them so they can bill the public, Mrs. Chesley's candy-store racket makes her, for all practical purposes, a civil servant.

The reason Americans used to give for keeping gamblers off the street corner was that it damaged the moral tone of the neighborhood. There were — presumably still are — two moral arguments against gambling.

One was that it encouraged poor people to become poorer faster by foolishly challenging the laws of probability. The other was that it promoted the notion that poor people could make money without going to work just as rich people did. Thus it fostered the nonsensical delusion that the only difference between rich and poor was luck.

Of course the gambling was intense, even though illegal. When the states started musing in on the numbers and small-time horse-betting rackets, their excuse was that since people were going to gamble, illegally if necessary, the government might as well legalize it, rake in the money and at the same time reduce the unsavory social influence of organized crime.

When the same argument is made for legalizing the narcotics racket, as it often is, politicians recoil in horror. They are willing to turn Mrs. Chesley into a numbers writer, but not a heroin peddler.

For this I am grateful. It's had enough the kids have to stand aside for gamblers; it would be worse if they had to jump over junkies.

If you infer that I don't like the government running a gambling den on every street corner, you infer correctly, though I find it hard to explain this distaste. Maybe it's because I was subjected in childhood to officially approved school prayer.

Whatever the reason, it is my conviction that gambling is a vice for rich people and poor saps and that a government that exploits its poor saps instead of trying to protect them ought to be ashamed of itself. That's my idea of an immoral government.

No, the government should not worry too much about behaving morally. It should be deeply concerned, though, with avoiding immoral behavior.

It ought to think twice before it involves Mrs. Chesley in the numbers racket. Thinking twice about this problem requires no great aptitude for moral philosophy. Children frequent Mrs. Chesley's candy store. Surely the government knows that arousing human greed, promoting the belief that people can get rich without working and taking money from poor dumb saps are all shameful things to do, and doubly shameful when done in full view of children by people, like the government, who are supposed to be role models.

I think Reagan should worry less about schools and get behind the move to put prayer into the candy stores.

New York Times Service

## American Makes Good in Burgundy

By Eunice Fried

MEURSAULT, France — "I am a French wine maker," the young man said. "I studied the making in Burgundy, and I've worked in Burgundy nearly all of my short professional life."

It would not be an unusual remark for a Burgundian to make. But the tall, slim man who was standing in the wine cellar of Domaine Guy Roulot & Fils here is not Burgundian. He is Ted Lemon, a 26-year-old native of New York State. As far as the people of Meursault remember — and their memories are long — he is the first American to be a wine maker in this most rural and traditional of France's wine regions.

If the people of Meursault now show acceptance, and perhaps a bit of pride, they showed disbelief in December 1982 when the respected Roulot winery announced that it had hired an American. Tradition, after all, dictated that son should follow father as vintner. And Guy Roulot, who had just died at the age of 52, had left a son. Why didn't Jean-Marie Roulot put aside his plans for a career in the theater and continue his father's work? And if not the son, why not a relative or, at the least, a fellow villager? But the news probably surprised the New Yorker even more.

Lemon had not planned the path he took to a Burgundy wine estate from Bedford, New York, where his parents live. "I was while I studied here. I never dreamed I'd be working here," he said.

Lemon's first glimpse of wine making came when he was recruited at Phillips Academy, a prep school in Andover, Massachusetts, and went to Brittany with a group of other students to learn French. "One day in Muscadet," he recalled, "I heard a man talk about wine making being a blend of technology, tradition and luck. It fascinated me."

At Brown University, in Providence, Rhode Island, he majored in French literature and spent part of his junior year at the University of Dijon, in Burgundy. One of his instructors was Jean-Marie Roulot, who had just died. "I was very close because it's so foreign to me," he said.



Ted Lemon, a wine maker in Meursault, France.

food of the region. Lafont, favorably impressed with his American student, then introduced him to Jacques Seysses, owner of Domaine Dijon in Meursault-St-Denis.

"By the time I finished my six months in Dijon," Lemon said, "I had invitations from Jacques and a few other vintners I had met to do an apprenticeship."

But back at Brown for his senior year, he realized how much he wanted to pursue wine making. He applied for a Samuel T. Arnold Fellowship, through which the International Business Machines Corp. was offering \$6,000 for a year of postgraduate study or travel abroad.

"My proposal was to go to Burgundy to learn wine making," he said. "I guess they like slightly risky projects."

He chose Burgundy, he said, "because it's more open than the aristocratic society of Bordeaux. It's easier to make contacts here. Yet, in another sense, Burgundy is more closed because it's so married to tradition. Wineries are still passed on from father to son, often when the father is in his 60s and the son is in his 40s."

To the fall of 1980 Lemon returned to the University of Dijon for a year, this time to study wine making. He also was apprenticed at several vine estates, including Domaine Dijon. Soon after earning his degree he accepted a job in Hollister, California, with Josh Jensen of the Calera Winery.

Meanwhile, in Meursault, Roulot, the third generation of his family to head the estate, was dying. Although the estate had a good reputation under his father and grandfather, it was Guy Roulot who had built up the vineyard, buying more vineyards within the Meursault village appellation. He had been one of the first vintners in Meursault to make wine from the grapes of each of those vineyards separately.

(14 hectares) as well as scope and reputation. His son, Jean-Marie, had been an apprentice at the Joseph Phelps Vineyards in the Napa Valley of California and returned to work at the estate until he was in his early 20s. But Jean-Marie's real love was the theater, so he left to study at the National Conservatory of Dramatic Arts in Paris.

"I've had many apprentices," he said, "but no one as bright and trustworthy as Ted. He has so many fine qualities. So when Genevieve Roulot, Guy's widow, asked me whom I would recommend, I said I had an excellent candidate but that there were two problems. He was only 25 years old and he was an American. 'Impossible,' she said. I suggested she ask other people in Burgundy she respected."

"We did," Jean-Marie Roulot recalled. "We asked Patrick Bize in Savigny-les-Beaune and others. I also called my friend Bruce Neyers at the Phelps winery in Napa, who knows Josh Jensen well. Everyone spoke highly of Ted."

The impossible, then, became possible, and in December 1982 Seysses called Lemon at Calera and said, "How would you like to make Meursault?"

So he was hired, eight unseen by the family. "The fact that I spoke French helped," he said. "But I can't say I didn't have problems. In dealing with the field and cellar help I had to prove myself physically. I had to show I could prune as quickly as the French. It was a tough job as long and as hard as the local people. And to Mme. Roulot, who was so attached to Guy, I had to prove I could keep up the reputation of his wines."

"He has," said Dominique Lafont, who grew up on his family's wine estate in Meursault and is an enologist with a Burgundy wine brokerage, Le Serbet. "People who don't follow tradition in Burgundy can be given a tough time. But Ted has worked hard. He's making high-quality wines. He's passed the test. He's accepted."

PEOPLE  
Capote's Will Is Read

Truman Capote's will orders that his \$600,000 estate be used to support his longtime companion and to establish an annual award for literary criticism. Capote died Aug. 25 at the age of 59. The will, probated Monday in New York, gives all his property to his companion, John Paul Dunphy. The will, dated May 4, 1981, says that upon Dunphy's death the remainder of the Capote estate should be used to establish an annual prize for literary criticism to honor the memory of Newman Arvin. Arvin, an author, critic and teacher, died in 1963 after his career was blighted by a prosecution for possessing pornography.

About 5 percent of Jermaine Jackson's profits from the family's singing tour in the United States will be placed in a bank account until a lawsuit over payments to the group's accounting firm is settled, attorneys said. A Los Angeles Superior Court judge approved a settlement Monday after a meeting with lawyers representing Jermaine, the oldest brother of Michael Jackson, and attorneys for the Moutrie Accountancy Corp. Jermaine's attorney filed a \$2-million lawsuit Friday, alleging that the accounting company had fraudulently paid itself \$1.2 million for services during the tour.

Mary Tyler Moore has joined the list of celebrities seeking treatment of alcohol problems at the Betty Ford Center near Palm Springs, a spokeswoman announced. She said the Emmy Award-winning actress entered the clinic last week because "Miss Moore, who is a severe alcoholic, was advised by her doctors to cease any alcoholic intake." Others recently treated at the clinic include Elizabeth Taylor, Liz McNeill, Robert Mitchum, Tony Curtis, Peter Lawford and Johnny Cash.



ARTISTS AT WORK — Three students from Livorno demonstrating on Italian television Monday how they chiseled a stone to resemble a work by Amedeo Modigliani. The students, from left, Michele Ghezzarducci, Francesco Ferrucci and Pietro Luridiana, say they faked the stone head and threw it into Livorno's Royal Canal. Three works attributed to Modigliani have been dredged from the canal.

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